The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 18, 1939

What Will America Do?

AN EDITORIAL

Whither British Policy?

EDITORIAL CORRESPONDENCE

Stalin and the 'Aggressors'

Sadism in the China War

BY AGNES SMEDLEY

A Study of Anthony Eden

BY R. H. S. CROSSMAN

New Sino-American Institute

BY C. Y. W. MENG

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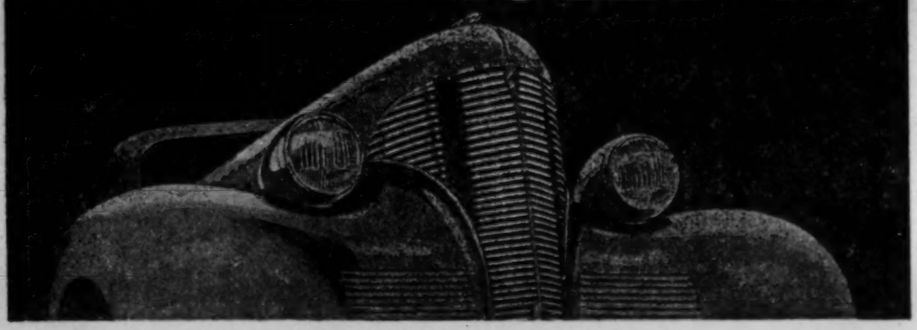
New CHEVROLET 1939



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SUPERVISION NEEDED

To the Editor:

It should prove of much interest to all in this International Settlement, to know what the Municipal authorities are doing regarding the many Japanese-made patent medicine and food products which, through daily advertisement, are now being offered the people.

As is generally known, each country has its laws, which prohibit the sale of patent medicine and food products which have not been thoroughly investigated by the departments appointed, and without the approval of the department nothing can be offered the general public.

Taking into consideration the ways and means by which Japan is now foisting narcotics upon the people of China, too much supervision in this Settlement is impossible, to safeguard those living here, and it is the duty of the Municipality to prevent anything being offered for sale and consumption, which has not the approval of the department governing this branch of regulations.

NEMO

Shanghai, March 11, 1939.

A CROMWELL WANTED

To the Editor:

The gangster governments of Germany, Italy and Japan, with their robberies, cruelties, rapes and murders, are marching on. With each new onslaught comes a weak diplomatic protest from London, which only evokes derision. The complacency of democratic powers indicates a loss of moral fiber both mental, moral and physical, which bodes ill for the future. Relying on this, the dictators push on without opposition. Aggression could be halted, and another war averted, if democratic powers had the courage to impose economic sanctions and a universal boycott against Germany, Italy and Japan.

Is it true that democracies care not how many innocent human beings are slaughtered so long as they save their own skins? The Christian World has wandered far from the teachings of the Lowly Nazarene. There are words of sympathy in plenty, but what country will provide a haven for the victims of Hitler's brutalities?

The long hairy arm of German and Italian propaganda and race hatred now reaches South America, where it finds a fertile soil. Why the decline of British prestige there? Latin America charges Great Britain with weakness in the Spanish imbroglio, cringing to the dictators, the betrayal of Ethiopia and mangling of the League of Nations. Latin America believes that England has connived in every recent aggression against small nations and cannot be trusted in any emergency. While we deplore the loss of British prestige, which is a tragedy, we must confess that it has been well earned.

When Mussolini's colonial demands are satisfied, the next thrust will be against the Netherlands, on whose rich colonial possessions the Nazis cast envious eyes. An incident will be provided to give Hitler a pretext to intervene to "restore order," as he did in Austria. The invasion of the Netherlands or the surrender of the German colonies, would mark the decline and fall of the British Empire. Let there be no mistake about that. The bonds of empire are weak enough now and can stand no more.

The former German colonies must be retained as a permanent British possession, to be developed as a home for European refugees, the unfortunate victims of European despots.

Like it or not, the dictators have imposed on the world an age of force, in which those who believe in non-resistance, negotiation and conciliation, will perish. They believe that murder, cruelty and rape are justified. With fear the world awaits the next upheaval.

Great Britain is on the spot and must choose between war or dishonor and disintegration. Only a Cromwell can save the British Empire. Let us pray that he will appear before it is too late.

F. E. BURNHAM,
Brigadier-General.

HALCYON SPRINGS,
ARROW LAKES, B.C.
February 10, 1939.

SOME DEFINITIONS

To the Editor:

I thought you might be interested in the following definitions which I found in the **New York Sun:**

Socialism—You have two cows; you give one to your neighbor.

Communism—You have two cows and give both to the government and the government gives you the milk.

Fascism—You keep both cows and give the milk to the government and the government sells some of it back to you.

Nazism—The government shoots you and takes both cows.

New Dealism—The government shoots one cow, milks the other and pours the milk down the sewer.

Now I am wondering if someone couldn't complete the list of definitions by **defining** Japan's "New Order in Asia-ism."

READER.

Shanghai, March 12, 1939.

Editor's Note—The **Review** will give a free subscription for the best definition of Japan's "New Order" to be added to the foregoing list.

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What Is America Likely to Do About the Situation in the Orient?

SINCE Japan's activities, for a long period of years, have indicated that she conducts her foreign policies only with regard for the strength of her neighbors, near and far, it is timely to consider the current reactions of the United States concerning Japan's present activities.

Eight years ago, Japan violated the Nine-Power Treaty and intervened in China's northeastern provinces of Manchuria. Later, after militarily occupying those territories, Japan set up a puppet government which is generally recognized as a thinly camouflaged colonial administration. Two years ago Japan denounced and was solely responsible for breaking up the Washington Naval Treaty of 1922, which forbade further fortifying Pacific Islands.

Since 1937 Japan's armies have run amok over the eastern edge of the Continent of Asia while her warplanes have ravaged towns and villages bringing death, destruction and terror to millions of defenseless and inoffensive Chinese men, women and children. Millions of dollars worth of property has been destroyed, the Japanese warlords directing their destructive talents toward the elimination, particularly, of schools, colleges, universities, religious institutions and even hospitals. The only Chinese properties which were preserved were certain types of manufacturing establishments which the business allies of the Japanese militarists desired to seize and operate for their own personal profit.

Not since the days of Genghis Khan has the world been treated to the type of warfare which Japan has practiced since the beginning of her military adventures on the Continent in the fall of 1931. A Japanese army officer once boasted at a press conference in Mukden that Japan should be given credit for demonstrating that treaties and international agreements were ineffective in preventing wars. It is needless to say that Japan has received full credit for that achievement!

At the height of their military adventures, Japanese generals frequently declared that Japan alone was the arbiter of the destinies of Asia and its millions of peoples. No longer would "third-parties,"—Americans or Europeans—be permitted to interfere in the affairs of Asia. The Nine-Power Treaty and other agreements, adopted at the Washington Conference, which were designed to protect and strengthen China against outside aggression, were described by these Japanese military buccaneers as attempts on the part of Europeans to "enslave" the Chinese people. Western nations were warned that no enterprises could be embarked upon, or contracts entered into, with the Chinese Government without the consent of Japan.

Recently, as a result of long-sustained Chinese resistance and the growing opposition of other nations which also have interests in the Far East, the Japanese General Staff has been compelled to seek the assistance of European nations temporarily under the control of dictators whose viewpoints on world politics coin-

Further the Advance, Greater the Pinch!

Parrish in The Chicago Tribune

cided with those held by the present day samurai of Nippon. The result of these consultations has been the Tokyo-Rome-Berlin "axis" or anti-comintern pact, a thinly disguised "cover-up" for aggression at the expense of weaker states, whether in Europe, Africa or Asia. In other words, Japan, after boasting that she alone was the arbiter of Asia and its peoples, has been compelled by the exigencies of the situation to share some of her spoils with her allies holding similar points of view. The process has been a familiar practice of gangsters since the beginning of organized government.

Although the ramifications of the Tokyo-Rome-

Berlin pact, now being converted into a military alliance, are not known to the public, and in some respects doubtlessly are still nebulous, sufficient has developed to cause other nations to look to their defenses. So long as the Japanese were acting alone and strutting about with their mechanical playthings which they had obtained from the West, the Occidental nations were able to look on the "quarrel" in the Orient with considerable complacency, feeling that Japan would either be defeated or weakened and her strength dissipated in a futile attempt to subjugate and establish her political, military and economic control over China.

Americans felt so little concerned at the "squabble" in the Orient that they permitted their legislators in Washington to adopt a "Neutrality Law" designed by well-meaning isolationists and pacifists to prevent meddling in the affairs of other nations. But aside from tieing the hands of the President and preventing him from cooperating with leaders of other nations in the preservation of world peace, the Neutrality Act actually encouraged the Japanese military clique to intensify its activities in Asia and also has encouraged Japan's allies in Europe to embark on similar adventures at the expense of weaker states. Japanese generals have actually boasted that they had no fear of American "interference" in their military games which were designed, according to their official spokesmen, for the purpose of "creating a new order in Asia."

But the Americans have at last become alarmed at the drift of affairs. While at first inclined to permit Japan to have a free hand, based on the well-meaning proposition that Asiatic peoples should settle their own affairs in Asia, the Americans at last awoke to the fact that the ambitions of Japan's warlords were not confined to adventures on the continent of Asia, but were pointed in other directions—toward the Philippines, French Indo-China, Netherlands Indies and even sought to circumscribe the British colonial base at Hongkong. There were rumors that Japan was planning, through fortifications in the Mandated Islands, to erect a barrier between the United States and the Philippines as well as the Netherlands Indies where the United States possesses important trade interests and obtains certain raw products vital to American industries.

While Japanese aggression on the Asiatic Continent began with the occupation of Manchuria in the fall and winter of 1931-1932, the foundation for this activity went further back over a long period of military preparation. So far as the Japanese Army was concerned, its ambitions have been described in such documents as the "Tanaka Memorial," and the writing and public statements of such military notables as Gen. Sadai Araki, present Minister of Education in the Japanese Cabinet.

The Japanese Navy, and its activities were recently described in an article in the St. Louis *Post-Dispatch*. To quote from the article, "The naval limitation treaty which Japan scrapped in 1936, had served Nippon's naval establishment well. Prohibiting construction of battleships, it put no restrictions on cruisers and other warships in which Japan was much weaker than the United States or Britain. The United States built few warships between 1922 and 1931. England's construction for the same time was moderate, but Japan, free of the big bills for battleships, poured her money into swarms of cruisers, destroyers and submarines—submarines that can travel across the Pacific and return without refueling. So by 1931, her navy had become much more powerful while the United States had retrograded and Britain's had progressed but little in that year, Japan definitely began her path of conquest with the seizure of Manchuria. She is still on it, as the world well knows. She has torn up the Nine-Power Treaty, in which the signatories agreed to respect China's territorial integrity. She has consulted no other nations—except possibly Germany and Italy—on her aggressive steps."

Aside from Japanese military terrorism on the Asiatic Continent, it was the signing of the anti-comintern pact and the implied threats involved in that secret agreement, which finally stirred the Americans to action. American residents of China who had almost become resigned to a fate somewhat akin to that of Russian emigrees and were almost ashamed to face their Chinese friends, were suddenly encouraged to renewed hope and effort by developments in official and unofficial circles at home that indicated a sudden realization of the perils of continuing a policy of give-away and retreat.

The recent debates in Congress (summarized in the issues of *The Review* for March 4 and 11) have indicated the rapid awakening of public opinion to the fundamentals involved in the Sino-Japanese conflict. The debate over the question of developing an air and naval base at Guam indicated the feeling that steps must be taken to erect protective safeguards against the growing menace in Asia. The outcome of the present congressional discussion cannot be forecasted, but out of it will develop the beginnings of an American policy designed to meet the situation which the Japanese military clique has created in the area of the western Pacific.

In the meantime public opinion is growing that effective restrictions must be placed upon the menacing activities of militaristic Japan. Financiers, with millions of idle money in their bank-vaults who were prepared to take a "realistsic" view and advance Japan the money to consolidate her ill-gotten gains, and businessmen who were making more millions by selling airplanes, munitions and basic war materials to the Japanese armament industry, are being restricted in their activities.

Regardless of the outcome of the debates in Congress on the armament appropriation measures, it is becoming more and more evident that Japan, even with the help of her allies, cannot succeed in her program without the moral and material support of the United States. The arguments of those who pointed to the larger American trade with Japan and the more extensive American investment in that country as reasons for supporting Nippon against China, have lost their force. Even though the Japanese have spent many millions of yen in trying to influence the country in their favor, public opinion is overwhelmingly on China's side and ultimately will prevail in the formulation of governmental policies. While much has been said about the activities of certain financial interests which allegedly were responsible for America's joining in the World War on the side of the Allies, it was German atrocities in Belgium and German disregard of ordinary human rights and principles that finally brought public opinion to the point where genuine participation in the war was possible.

The Japanese have displayed an amazing ignorance of modern Chinese development in practically every field of human activity. But of all their blunders their greatest has been in failing to take into consideration the force of modern educational and nationalistic development among the younger generations of the Chinese. Let us hope that the Japanese—in the interest of the welfare of their own people—will not make the same fatal error in appraising the mentality of the Americans as they have failed to understand the Chinese!

What Will Be the Future Trend of British Policy in the Far East?

EDITORIAL CORRESPONDENCE

"England has no eternal allies, she has only eternal interests."—Lord Palmerston.

IDEALISTS, to whom materialist interpretations of contemporary happenings are as alien as science is to dogma, have been worried and bewildered by the trend of British policy during the past few years. They were shocked when Britain recognized the Italian conquest of Ethiopia. They were shocked last year when Prime Minister Chamberlain made a deal with Hitler for the dismemberment of Czechoslovakia. And they have received their latest shock in British recognition of the Franco government in Spain.

Observers of the Far Eastern scene, those who have watched with sympathy the efforts of China to save herself from being devoured by Japan, may well ask themselves whether British policy is not likely, present appearances to the contrary notwithstanding, to result in a hastening of China's capitulation and the absorption of large portions of this country into the Japanese Empire.

Where material interests govern policy, a disinterested idealism is merely the convenient cover under which those interests are pursued. Lord Palmerston's aphorism should be kept in mind by those who wish to avoid being shocked by future developments of Britain's policy in the Far East, and especially by the Chinese. To render it more precisely applicable to the subject under discussion, it should be amended to read: "England has no eternal *ideals*, she has only eternal interests."

Britain recognized Italy's conquest of Ethiopia because it suited British interests to come to an agreement with Mussolini. By his military campaign, Il Duce had placed himself in a position to endanger Britain's valuable cotton-growing interests in the Sudan. Lake Tsana, in Ethiopia, forms the headwaters of the Blue Nile, which furnishes the water needed to grow Britain's cotton. No water—no cotton! Better to make a deal with Mussolini rather than engage him in a war for which Britain was not prepared.

In the case of Czechoslovakia, it served the immediate interests of Britain to dismember that country rather than plunge into a European war for which—again—Britain was not prepared.

A little more involved is the problem of Spain. There Britain would have liked to perpetuate a democratic regime which would have remained friendly to Britain. But the choice in Spain was not a choice between democracy and fascism, but rather between fascism and revolution. That these were the alternatives was clear right from the time of the downfall of the Spanish monarchy in April, 1931. Britain preferred fascism to social revolution, because while fascism would damage British interests on the Iberian peninsula, social revolution would have liquidated them completely.

The parties of the Spanish Popular Front, from the bourgeois Republicans on the extreme right, to the Anarchists and "Communists" on the left, strove might and main to scotch all revolutionary tendencies in the hope thereby of appearing respectable in the eyes of the British and French "democracies" and retaining their support. Britain's reply was the non-intervention policy which aided only Franco, for the hard-boiled British imperialists had no faith in the ability of the Popular Front to hold the revolutionary-minded masses in permanent check. The idealists were shocked. Could it be that the great British democracy actually wanted to *help* Franco?

Yes, that is the plain, unvarnished truth of the matter. And as soon as Franco's final victory appeared in sight, Prime Minister Chamberlain proceeded to recognize the new fascist government. Because he has any special love for Franco? No, because British interests dictated the step. Spain under any conditions will remain a third-rate power, subject to stronger powers. If Britain refused to recognize Franco, the latter would become the undivided tool of Hitler and Mussolini, and Germany and Italy would enjoy the lucrative business of resconstructing war-devastated Spain. It is not for nothing that Chamberlain is called a realist by those powerful interests that stand behind his government.

Will this Chamberlainic "realism" produce a Far Eastern Munich? The question cannot, of course, be answered in advance. But the idealists seem to be preparing themselves for another big shock over China by mistaking the appearances of British policy for the hard reality. With all the wistful hopefulness of those who seldom think out a question to its ultimate conclusion, they refer to the British note to Japan last Jan. 15, in which London declined to acquiesce in the Japanese plan for a "New Order in East Asia," and, of course, the much more substantial British loans to the Chinese government.

Have the idealists forgotten how the British lion thundered at Mussolini for his rape of Ethiopia, even going so far as to impose sanctions against Italy? Have they forgotten the first British reactions to the threats against Czechoslovakia's independence? Have they forgotten British official horror at Franco's actions in bombing open cities in Republican Spain, the protests over the sinking of British ships? Let them remember now that there have been official expressions of British horror at Japanse aerial bombings in China, and innumerable British protests to Japan over damage done to British interests in this country? The question is: Will all this, in the final count, add up to any different result than it has in the case of Ethiopia, Czechoslovakia and Spain? Will not all the pious protestations of "sympathy" with the aggressed end up in a deal with the aggressor?

Britain's investment stake in China has been estimated at about £240,000,000, six times greater than that of the United States. The British stake in China's trade is equally enormous. It is the protection of these stakes—not any abstract idealism—which determines British policy in this part of the world.

Thus far, the Chamberlain government has been clinging to a policy of aiding China sufficiently to ensure that resistance to Japan will continue. Capitulation to Japan by the Chiang Kai-shek government would be a blow to British interests in this country from which no recovery would be possible otherwise than through an Anglo-Japanese war. If the present war can be prolonged, London calculates, Japan will reach a point of exhaustion where she will welcome peace. Britain hopes to dictate that peace in accordance with British interests. This is the meaning of the Jan. 15 note and the loans made to China.

It was not by accident that Lord Halifax reiterated Britain's offer of mediation in a speech in the House of Lords on March 1 when replying to Lord Strabolgi's attack on Japan. In particular, it is well to remember his categorical statement that the British government

"would not hesitate to take all necessary steps as soon as the moment appeared propitious"—propitious, that is, for Britain, and not for China. Equally if not more significant was the statement made by T. O. Pearce, chairman of the Hongkong & Shanghai Banking Corporation, at the annual shareholders meeting in Hongkong on February 25. He said that "things are drifting dangerously, and the gap will grow more and more difficult to bridge unless mediation is attempted soon."

The effect of the new Czechoslovakian crisis on Britain's activities in East Asia cannot be foretold but it will obviously increase the anxiety of the Conservative leaders regarding the protection of British interests in China. Everyone has noticed, we assume, that Hitler's advance across the Czech border occurred, conveniently, just at the time that Japan and the U. S. S. R. were preparing for another, and possibly their most serious tussle, over the fisheries controversy. A prolonged war in Europe, referred to in the discussions on the Army estimates in Parliament on Tuesday of this week, would tie Britain's hands in the Orient and leave her interests exposed to the Japanese nemace. This might make it all the more desirable, from the standpoint of the Tory leaders, to make a quick deal with the Japanese.

But there is another element which may again, as it has in the past, vitally affect British policy. American rearmament and emergence from "isloltion" would exert a fundamental influence upon the natural inclinations of Conservative leaders to make a deal with the despoilers of China. Aside from the influence which a rearmed and internationally active America would exert on British policy, there is the further element of American influence on British self-governing Dominions—Canada, Australia, New Zealand—and even on India. Britain is suspposed to have invented the Open Door which the United States adopted as her own. British influence also assured the success of the Washington Arms Conferrence, but it was the weight of American armmant which brought Britain into the Conference. And, not to be forgotten, it was the influence of the Conservative, Sir John Simon, who scuttled possible united action against Japan in the fall of 1931.

Recently there have been proposals in the United States looking toward another Washington Conference, to be convened either in Brussels or Washington, preferably Washington. Chinese leaders have lately been quoted as favoring such a conference. But before China can win at a conference table, she has to win on the battlefield. That is the lesson of history. China's staunchest friends are her own weapons and the fighting spirit of her people. All else is shifting sand.

Kagawa Makes "Un-Christian" Attack on British

Dr. Toyohiko Kagawa, Japan's outstanding Christian evangelist, who was in Shanghai this week on his way home from the Madras Missionary Conference, announced his intention of writing a book which would "give unsparing criticism of British hypocracy." According to a *Domei* version of Kagawa's interview which was published in the Japanese newspaper *Tairiku Shimpo*, the Japanese evangelist traveled in India "from corner to corner," and delivered more than 200 addresses to audiences aggregating 3,000,000 people. His last address on the subject, "Gospel of the East," was listened to by more than 40,000 Hindus, he stated. The theme of most of his addresses dealt with the cooperative movement. He said that he had refrained from discussing political questions "because the Tokyo Foreign Office had asked him not to say anything against Britain." He said, however, that when he returned home he intended to expose British hypocracy in a book he intended to write about India. He said that the British Indians like Japan, but they expect too much Japanese support in carrying out their independence movement against Britain.

SENATE APPROVES DEFENCE BILL GUAM STILL DEBATED

The U. S. Senate on March 7 approved, by a vote of 77 to 8, President Roosevelt's emergency defence bill providing for the expenditure of U. S. $358,000,000. Since the House of Representatives had already passed the measure in somewhat different form, it will now be considered in conference before final passage. Chief difference of opinion concerns the proposed increase of the Army Air Corps to 6,000 planes, involving an addition of 500 machines. Prior to the vote Senator Alben Barkley, Majority Leader and Democrat from Kentucky, defended President Roosevlet's new foreign policy of supporting Democracies against the Totalitarian powers. He said the President's policy was designed to preserve peace in the Western Hemisphere and contribute toward the peace of the rest of the world.

That the project of developing an air and naval base at Guam is still a live subject was indicated in statements by Admiral William D. Leahy, Chief of Naval Operations. When questioned by Senator Hiram W. Johnson, Republican of California, who opposes the Guam project, Admiral Leahy said that it would cost from U. S. $80,000,000 to $200,000,000 to make Guam impregnable, but, he added, "The Navy hasn't the slightest thought of any such huge project at Guam at present. He said that the item of $5,000,000 in the air and naval base bill was only intended to construct a breakwater and deepen the harbor in order to improve the seaplanes take-off area. He said that such minor preparations would be advisable for handling the large number of planes.

Added interest in the controversy was provided by testimony of Juan Trippe, head of Pan-American Airways, who told the committee that the Guam project would be an essential aid to transpacific civil aviation. He stated (*United Press*) that the present harbor at Guam was not suitable for heavy traffic. Mr. Tripp stated that Pan American was planning to reduce flying time from San Francisco to Guam to 2½ days.

The Senate on March 7 also approved an appropriation of $23,750,000 to strengthen the defences at Panama Canal and the sum of $34,500,000 in order to familiarize private manufacturers with mass production of war materials.

TO MAINTAIN 5-5-3 NAVAL RATIO

The United States Navy intends to maintain the present ratio of 5 to 3 over Japan's warship strength in any naval construction race that Japan may decide to embark upon, according to a statement issued by Admiral Leahy on March 11. The Admirals' statement was made, following publication of reports from Tokyo that Japan intended to build a battle fleet the equal of any in the world. Admiral Leahy stated that the ratio of 5 American warships to Japan's 3, which was established at the Washington Conference in 1921-1922 was still a satsifactory margin and the United States intended to continue on that basis.

The House Naval Affaris Committee (March 11) approved the $38,524,000 Naval Public Works Bill authorizing 44 important projects as part of the nation's $2,000,000,000 rearmament program. At the continued hearings on the Guam proposal before the Senate Naval Affairs Committee, Frederick J. Libby, secretary of the National Council for the Prevention of War, "warned the United States and Japan against going to war. He said that such a war would cause Asia to go red and America go Fascist. Major-General William C. Rivers, U. S. Army, retired, expressed his belief that the proposal to fortify Guam was "part of a plan to annex the Philippines permanently as some sort of a dominion." He opposed the fortification scheme. He said the Guam project would "push American Naval domination into the Western Pacific and saddle Americans with the defense of the indefensible Philipppine archipelago."

The American Naval Budget this year will reach a total of $700,987,000, an increase of $161,811,000 over the present year,s figures. The new building program calls for the construction of two capital ships, two cruisers, eight destroyers, eight submarines, two sea-planes tenders and a number of minor units.

THE NEUTRALITY BILL

Of special interest to Americans and the Chinese are current discussions pertaining to repeal or amendment of the Neutrality Bill, which is scheduled to expire on May 1. Senator J. Hamilton Lewis, Democrat of Chicago, announced his intention of introducing a resolution to repeal the Neutrality Act. He said that repeal of the measure would enable the United States to assume a more effective role in international affairs. Senator Lewis' proposal would give the Administration a comparatively free hand in planning retaliatory measures against nations discriminating against the United Staets trade or interests.

President Roosevelt declared that the Neutrality Act not only had failed to promore peace but had in some instances actually promoted war. Senator Hiram Johnson, Republican of California, a leader of the isolationsit bloc, also announced his aproval of the

proposal to withdraw the Act. Another proposal to amend the Act to extend the "cash and carry" provisions to all armament is also under discussion. This provision would enable France and England to obaitn all munitions and war supplies they required in a war against dictatorships. As masters of the sea they alone would be able to pay cash and obtain their supplies.

Senator Barkley, Majority Leader, said that the foreign policy of the United States should not only ensure American security but would also preserve world peace. There was general approval of former Secretary of State, Col. Henry W. Stimson's recommendation on foreign policy (see issue of *The Review* for March 11, Page 33.).

President Roosevelt expressed strong opposition to a long-standing proposal to amend the U. S. Constitution requiring a national referendum before American troops could leave American soil for war. The President, when questioned about the effect of the Neutrality Act on the Sino-Japanese war and Spanish civil war, said he could not comment on specific cases. Senator Bennett Champ Clark, Democrat of Missouri and a member of the "Mind-Our-Own-Business' bloc in the Senate, said that the President had never enforced the Neutrality Act in the Sino-Japanese war. Senator Barkley, in reply said, "there is some question whether the President has the power to declare the Neutrality Act in effect in the Sino-Japanese conflct because it is a new kind of war, an undeclared war."

U. S. MARINES AT SHANGHAI

Of final interest was a sharp debate in the Senator over the issue of withdrawing the U. S. Marines from Shanghai and China generally. The recent incident in the American defense sector between Marines and a Japanese search party, reports of which were cabled to the American press, caused two senators to demand withdrawal of the Marines from Chinese soil. The two senators were J. Hamilton Lewis of Chicago and Robert R. Reynolds of North Carolina. Both declared that the presence of American forces in the war zones in China were a "threat to peace." They declared that America's commercial stake in China was too small to warrant the presence of marines there." Senator David I. Walsh (who opposed the Guam fortifications) challenged the statements of Senators Lewis and Reynolds and declared that the withdrawal of the Marines "would violate international agreements and leave United States citizens and their interests undefended." Withdrawal of the Marines form China, Senator Walsh declared "would be tantamount to withdrawing policemen from the streets of Washington and expecting that law and order would prevail as before."

Senator Reynolds declared that the whole of China 'is not worth spilling the blood of a single son of any United States mother." He added that American investments only amounted to $240,000,000 in China and the maintenance of troops to protect the investments "might lead to considerable embarrassment, trouble and possible embroilment."

The debate revealed that a considerable difference of opinion apparently prevails between the War and State Departments on the subject of maintaining the American forces in China. The War Department apparently wants all troops withdrawn, while the State Department insists that they be maintained to protect American nationals.

Senator William H. King, Democrat of Utah, favored the maintenance of American forces in China and declared, "The mere presence of U. S. Marines tends to check the cruel and ruthless prosecution of the war.... Further, we have nationals and property in China which should be protected."

Japanese Army Seizes German Cotton Mills

The Japanese military authorities have seized four large cotton mills located at Nantungchow and Haimen on the Lower Yangtsze, about 90 miles north of Shanghai. The mills previously were the property of Chang Chien, China's pioneer industrialist and Han-lin scholar. The mills, popularly known as the "Dahzung" properties are worth many millions of dollars, some estimates placing the mills and auxiliary power plants and real estate, including cotton plantations at $100,000,000.

The first of the mills was built about 25 years ago by Chang Chien and his brother, Chang Cha, and was equipped with American machinery. Other mills contained British machinery, but in later years, following the death of the brothers, Chang Chien's son placed large orders for German machinery, particularly equipment for power plants and water-works to supply the mills and cities.

Sometime ago following the death of Chang Chien, Jr, German interests affiliated with the A. E. G.-China Electric Company took over the four mills from the Chang Chien estate and formed a new operating company known as Far Eastern Machinery Company. On March 2 the Japanese military authorities, accompanied by officials of the Japanese Kanefaguchi cotton mill interests, visited Nantungchow and Haimen and informed the German proprietors that the Japanese intended to take possession of the mills and hand them over to the Kanefaguchi interests to operate. The German Consul-General at Shanghai immediately protested to the Japanese consular officials, but on March 8 the Japanese appeared at the mills with armed forces and evicted the Germans who were "escorted" to the Jitty and compelled to come to Shanghai. The German Consul- General has made further protests.

U. S. Financiers "Adjust" Japanese Power Loans

After the Washington Conference, 1921-1922, and the earthquake, 1923, when Japan was a respectable and law-abiding member of the family of nations, various American investment bankers loaned Japan considerable money, chiefly to enable Japan to develop her electrical energy. American firms which advanced most of the money were Dillon, Read and Company, Lee, Higginson and Company, J. P. Morgan and Company. Most of these companies had direct or indirect connections with the electirc light and power industry in the United States, chiefly General Electric and Westinghouse. Chief companies in Japan which received the American loans were Daido Electric Power Company, Nippon Electirc Power Company, Tokyo Electric Light Company, Toho Electric Power Company, Ujigawa Electric Power Company. Loans to these companies make up a considerable portion of America's U.S.$358,000,000 investments in Japan invloving bond issues in the United States.

American investments in the "big five" Japanese power companies were regarded as "gilt-edge" until Japan violated the Nine-Power Treaty and intervened in Manchuria in 1931. Japanese stock, in American estimation, took a further slump two years ago when the military-dominated Cabinet of Premier Prince Konoye and Foreign Minister Koki Hirota, decided to nationalize the electirc light and power industry in Japan.

Aside from apprehension over Japan's drive into China, American investors were chiefly worried about what would happen to their investments in Japanese private power companies after the Government took them over under a military-fascist totalitarian program. Some of the loan contracts between the American companies and Japanese electric concerns contained clauses forbidding the transfer of the loans. One loan contract even contains a clause that the status of the loan is not to be affected, even if the U. S. and Japan should become involved in war!

After extended negotiations the first of the American companies recently reached an agreement with the Japanese Daido Electric Power Company and the Japanese government-controlled enterprise known as the new Japan Electirc Power Generation of Transmission Company. The American investment company was Dillon, Read and Company of New York. The loan amounted to U. S. $28,000,000, part of which ran for 20 years and carried interest at 7 percent and the remainder 25 years with interest at 6½ percent. Considerable portions of both loans have been paid off.

Under the agreement which has been reached between the American investment house and the Japanese authorities, the loan will be taken over by the Japanese government-controlled concern, together with the other properties of the Daido Electric Power Company. Although the new electric company is controlled by the Japanese Government, the American company succeeded in forcing the Japanese Government to guarantee the loan, following the transfer of the private power company to the official enterprise. Another significant provision is that the Japanese Ministry of Communicatcns has agreed to take over the Daido Company's outstanding American obligations on the basis of yen-dollar exchange rate which prevailed when the loans were contracted, the yen at that time being worth about U.S. $0.48 as compared with the present official rate of $0.28 or the Shanghai rate of $0.16-cents.

Japanese newspapers exploited the new arrangement on the ground that it indicated American confidence in Japan as a "good risk." The statement is contrary to fact because the insistance of Dillon, Read and Company upon a guarantee by the Japanese Government constituted evidence of lack of confidence in the stability of the new company. The further insistance of the American company on payment at the original gold-rate of the yen also indicated lack of confidence in the stability of present-day Japanese currency. Further evidence of lack of confidence in Japan's ability to pay her bills was provided by the U. S. Department of Commerce several months ago in warning American manufacturers against selling to Japan on credit. Also, all of Japan's requests for new loans—since the occuaption of Manchuria—have been turned down.

Hiranuma Says Japan Will End Hostilities—If....

TWENTY months of hostilities in China must have taught the Japanese many bitter lessons. One of the most important among these appears to be that obstinacy is both dangerous and costly. Bellicose Japanese politicians may indulge in fulminations against China or talks of beating her to her knees and of the immutability of Japan's China policy, but grim realities must have brought home to many Japanese that arrogance and obstinacy can lead Japan nowhere but to disaster.

One man who apparently begins to realize the dangers of such a foolhardy attitude seems to be the Japanese premier, Baron Hiranuma. Quite unceremoniously throwing aside the imperial decision made as early as this time last year that Japan would never deal with Gen. Chiang Kai-shek under any circumstances, Hiranuma last week told the Diet that the Japanese government was prepared to end hostilities against Gen. Chiang and the National Government, "if they reconsider their anti-Japanese attitude and cooperate with Japan in the construction of a New Order in Asia."

This Hiranuma declaration seems to be of much significance, as it marks an open departure from all previous Japanese pronouncements. If one accepts the fulminations of the ex-premier, Prince Konoye, or of the hot-headed war minister, Itagaki, as assurances of the immutability of Japan's policy towards China, Japan should have nothing to do with Gen. Chiang, even if he surrenders. However, the Hiranuma remark is by no means surprising, in view of Japan's repeated failure to establish a bogus all-China regime or to patch up a peace through intrigue with Wang Ching-wei.

Statement By Arita

Speaking on the same occasion, Hachiro Arita, foreign minister, also weakened his stand. While he told the Diet of the necessity to make Britain, France and America understand Japan's determination to establish a "New Order" in Asia, he strongly protested that Japan's position would not be antagonistic to these Powers.

A typical example of bombastic talk was provided by Seigo Nakano, one-legged president of Japan's rightist party, the Tohokai, in a fiery speech in Shanghai last week. Thundering against Soviet Russia, Britain and America, Nakano declared that Japan's legions were fighting in China for the dual purpose of kicking out the Soviet menace and terminating the "imperialistic invasion" of Britain, which had been "poisoning East Asia." Particularly bitter against the British, he asserted that even if Britian should wish to compromise, Japan would never deviate from her present course in China.

Tokyo's weak-kneed diplomacy also came in for its share of attack in the Nakano outburst. He levelled several barbs at Japanese politicians for "standing in the way of Japan's expansion" and deprecated Tokyo's foreign policy as being "coquettish" towards Britain, France and America. What seemed to enrage Nakano most was that the Tokyo foreign office apologized to America after the Panay incident. Nakano maintained that "Japan did not commit any mistakes and therefore she did not have to apologize." "If you apologize," he argued, "you admit your wrongs."

Finally, in clear-cut words, Nakano declared that the object of Japan's present campaign in China was "not China itself, but Great Britain and America who are the real enemies of Japan."

Japan's attempt to create a "New Order in East Asia" was severely castigated by Dr. Wang Chung-hui, China's foreign minister, in a radio-broadcast address at Chungking. Terming Japan's talk of building a "New Order" in Asia sheer effrontery, Dr. Wang said that any project based on aggression and violation of international treaties to which Japan had subscribed, could never succeed or command respect.

The so-called "New Order in Asia" was but another name for Japan's Continental policy, in the opinion of Gen. Chang Chun, vice-president of the Executive Yuan. Such a policy, Gen. Chang pointed out, aimed at the subjugation of China, exclusion of third-power interests, conquest of East Asia, oppression of Far Eastern peoples, extermination of European and American influence in the Far East and the conversion of the Far East into a base for the conquest of the world. Such a preposterous dream Japan could never realize, Gen. Chang asserted.

Sun Yat-sen Anniversary

The 14th anniversary of the death of Dr. Sun Yat-sen, which fell on March 12, provided occasion for the inauguration of the National Spiritual Mobilization Campaign by Gen. Chiang Kai-shek. The anniversary was fittingly observed in Chungking and other cities under the control of the National Government. In memory of the occasion, Shanghai Chinese residents in the International Settlement flew the national flag at half-mast, but the authorities in the French Concession, responding to Japanese pressure, compelled many residents to remove the flags.

Gen. Chiang Kai-shek issued a circular telegram, announcing the launching of the Spiritual Mobilization Movement, which aims at correcting the living habits of the people, cultivating a progressive spirit, rectifying misguided thoughts and eliminating subversive plots.

In accordance with the Regulations governing the movement, the telegram said, every citizen, regardless of age of sex, must take and keep the Citizen's Oath (*Kuo-Min Kung-Yo*), as follows: "I hereby solemnly swear:

1. Not to violate the *San Min Chi-I* (Three People's Principles).
2. Not to violate the laws and ordinances of the government.
3. To do nothing detrimental to the interests of the state.
4. Never to be a traitor nor a "good citizen" of the enemy country.
5. Never to participate in any traitorous organization.
6. Never to be a soldier or officer in the enemy's or traitor's army.
7. Never to act as a guide for the enemy or traitors.
8. Never to gather information for the enemy or traitors.
9. Never to work for the enemy or traitors.
10. Never to accept notes issued by the enemy's or traitor's banks.
11. Never to buy enemy goods.
12. To sell no foodstuffs or any other articles to the enemy or traitors."

Spiritual Mobilization

Headed by Gen. Chiang, the Spiritual Mobilization Committee was established by the National Defence Council. The initiative for inaugurating such a movement came from the People's Political Council, which during its recent 3rd plenary meeting adopted an outline for the spiritual mobilization of the people. The movement, it is expected, will not only mobilize but consolidate the spiritual forces of the country, thereby further strengthening China's power of resistance against Japan.

An appeal to all local banks to assist the National Government in carrying out its financial and economic programs was made by Dr. H. H. Kung, president of the Executive Yuan and concurrently minister of finance, in his opening address at the National Currency Conference in Chungking last week. The conference comprised delegates of banks and other financial institutions from 14 provinces. Dr. Kung urged that local banks carry on their business as usual in the war areas and not withdraw unless the Army withdrew.

Explaining the aim of the conference, Dr. Kung said that it was convened for the purpose of evolving measures to develop the economic strength of the country, consolidate the monetary situation, protect the currency system, facilitate the sale and purchase of native products, stabilize commodity prices and meet the food requirements of the country during the war of resistance.

A new arrangement designed to conserve all gold in the hands of the government and to enhance the value of government bonds, it was rumored in financial circles in Shanghai, was being formulated by the government for the exchange of legal tender notes with the government banks. According to the arrangement, instead of silver, the commercial banks will be asked to pay for the legal tender notes which they receive from the government banks to the extent of 40 per cent in government bonds and 60 per cent in gold. The prices of the bonds and gold would be quoted at rates which obtained prior to the outbreak of the current hostilities.

Two prominent Chinese bankers, Tsu-yi Pei of the Bank of China and Chang Hwei-teh of the Bank of Communications, are reported to have been named members of the Foreign Exchange Stabilization Committee organised recently following the conclusion of the new British loan of £5,000,000 to China. The managers of the Hongkong & Shanghai Banking Corporation and the Chartered Bank of India, Australia and China will represent their respective banks. The fifth member to be appointed by the Chinese and the British governments is understood to be F. B. Lynch, American financial adviser to the Chinese government.

Educational Conference

After nine day's deliberations, the 3rd National Educational Conference, convened by the Ministry of Education, closed at Chungking last week-end, with the adoption of a manifesto affirming the determination of the government to redouble its efforts for the promotion of education and enforcement of various educational reforms. Those who spoke at the closing ceremony included Chen Li-fu, minister of education; Dr. Chiang Mon-ling, president of the National Peking University and Dr. H. H. Kung, president of the Executive Yuan. Resolutions adopted at the conference, including those dealing with improvement of the methods and materials of instruction in various grades of the country's educational institutions, have been forwarded to the Ministry of Education for enforcement.

On the occasion of International Woman's Day on March 8, which was observed at a mass meeting of Chinese women in Chungking, Madame Chiang Kai-shek addressed a circular message to the women of all nations, requesting their assistance to China in her struggle against the Japanese invaders. Madame Chiang also expressed appreciation of the sympathy shown China by the womanhood of the world.

March 10 marked the first anniversary of the founding of the War-Time Child Welfare Association, of which Madame Chiang is one of the directors. Speaking on that occasion, Madame Chiang said that thanks to the efforts of the association, thousands

of children who lost their parents during the hostilities have been taken care of. She expressed gratitude for the support given to the work of the association by various quarters, both at home and abroad.

That despite the tremendous losses caused by the Japanese invasion, Chinese people were responding enthusiastically to the call of their country for funds to finance the war of resistance was evidenced by the fact that in 15 days more than $2,400,000 was raised by public contributions in a drive sponsored by the New Life Movement Association. In recognition of the patriotism of the donors, President Lin Sen sent to the Association 200 famous paintings to be distributed as gifts to those who contributed most to the war chest.

Air Raid Precautions

Chungking authorities are taking no chances with the long-threatened indiscriminate mass bombings by Japanese air squadrons. With the Japanese vigrously pressing westward along the Yangtsze in the direction of Ichang, which was lately the scene of massacres from the air, the danger to Chungking becomes more imminent. Consequently, several government offices in Chungking have decided to move to places outside the city limits. Meanwhile, the Ministry of Communications has concentrated over 70 steamers in Chungking for the evacuation of civilians. Compulsory evacuation of civilians from Chengtu, capital of Szechuan, it is stated, will be enforced from next month.

Mongol Leader

Prince Sha

The arrival in Chungking last month of Prince Sha, 64-year-old leader of the powerful Ikhchao League of Inner Mongolia, was convincing proof of the utter failure of the scheming Japanese militarists to secure his allegiance to thier puppet regime in Chahar headed by the renegade Prince Teh. The Japanese had resorted to numerous devices, ranging from downright threats of force to attempts at kidnapping him and bombing him out of existence. But, somehow, the aged Mongolian leader survived them all. Prince Sha is planning to remain in Chungking for some time before returning to his League.

Tibet will soon have a new Dalai Lama, according to reports from Lhasa. Altogether five children who are considered possible reincarnations of the last Dalai Lama have been found, but only three are recognized by the Lhasa authorities. Arrangements are now being made to bring the three children to Lhasa, where lots will be drawn to decide which one is the real Dalai Lama.

Henri Cosme, new French Ambassador to China, presented his credentials to President Lin Sen of the National Government on March 10.

Japanese rumor-mongers were given a verbal castigation by Dr. Wellington Koo, Chinese Ambassador to France, last week, when he strongly denied Tokyo reports that he had recently written to Wang Ching-wei, supporting him and favoring Sino-Japanese negotiations. Dr. Koo said that he had not written to Wang for over a year.

China's struggle against Japanese aggression was lauded by the Archbishop of York in a message to the opening session of the National Conference on China in London last week. "I feel almost ashamed," the church dignitary said, "that it has been found impossible for organized powers hitherto to bring their suffering to an end."

Sinclair Urges Sanctions

Sir Archibald Sinclair, British Liberal leader, presiding at the conference, declared that while the dictator powers had a common interest in exploiting the weakness of China, it was to the interest of the democracies of Europe and America to see China prosperous and war banished from that country. Philip Noel-Baker, Labor M.P., urged the imposition of sanctions against Japan.

Warm congratulations on the Chinese Currency Stabilization Fund were offered by Dr. Quo Tai-chi, Chinese ambassador in London, at the annual meeting of the Chinese Government Purchasing Commission. Presiding at the meeting, Dr. Quo said that although the Commission's purchases were greatly curtailed by the war during the past year, nevertheless 74 contracts were placed to a total value of £182,034. Since the Commission began operations in 1931, Dr. Quo added, its purchases in Great Britain had totalled £5,266,783.

Speaking at the China conference in London, Dr. C. L. Hsia, Chinese scholar and member of the Legislative Yuan, declared that "Resistance and reconstruction is China's slogan today." The conference was presided over by Dr. C. C. Wang, director of the Chinese Government Purchasing Mission. Professor R. Brown of Oxford University said that from the outset of the China hostilities the Japanese had made systematic attempts to destroy all educational institutions and the damage for the first 14 months of the war totalled over $217,000,000. In view of the urgent need for books in China, Professor Brown added, Oxford University was planning to send £5,000 to £10,000 worth of books to that country in the next few years.

Col. Henry L. Stimson, former U. S. Secretary of State, last week cabled the Sino-American Cultural Association at Chungking, accepting an invitation to serve as its honorary president.

The League of Nations has decided to send Dr. Mackenzie, health expert, to China to assist the Chinese Government in the work of plague prevention. Dr. Mackenzie is due in China in April.

Sino-Soviet Highway

One of the gigantic communication projects which is now engaging the attention of the Chinese and Soviet authorities is the contruction of a 3,000-mile motor highway, linking Szechwan with Siberia. Both Gen. Chiang Kai-shek and the Soviet government are said to have agreed on the project, which was recommended to the Chinese government many years ago by the Swedish explorer, Dr. Sven Hedin. Working gangs totalling 700,000 men are reported to have been mobilized by the Chinese authorities and work on the road has already begun.

The famous Chinese "Lone Battalion," whose valiant stand against overwhelming Japanese forces in the Joint Savings Bank godown on North Soochow Road in Nov. 1937 drew praise from all over the world, was again in the news. Owing to financial difficulties, the various Chinese organizations which had hitherto provided the necessary funds for the maintenance of the soldiers at the internment camp in the International Settlement, have withdrawn their support. Pending a new arrangement with the Chinese authorities, the Shanghai Municipal Council has taken over temporarily the responsibility of maintaining the interned soldiers. It is estimated that the monthly cost amounts to about $4,500. The "Lone Battalion" is commanded by Col. Hsieh Ching-yuan and Major Yang Jui-fu, both graduates of the Whampoa Military Academy.

That the Japanese are having a free hand in the International Settlement was evidenced last week by the fact that their Military Police arrested six Chinese in two hotels and took them to Hongkew. The fate of these men remains unknown.

Evidently under pressure of their overlords, both the puppet regimes in Peiping and Nanking are bestirring themselves. In Peiping, the "Provisional Government" ordered the removal and destruction of all statues and pictures of Dr. Sun Yat-sen in government organizations and schools. To combat the guerrillas, Nanking was planning to create a puppet army of 3,000,000 strong. Part of the nucleus of this force was reported to have been dispatched to Shanghai to strengthen Japanese garrisons in areas surrounding the city. Meanwhile, puppet officials in Nanking were said to have set aside $150,000 to celebrate the first anniversary of establishment of the "Reformed Government" on March 28.

Chinese lawyers in Shanghai are finding themselves between two fires. Eighteen of them who had joined the puppet Nanking regime have been dismissed by the Ministry of Justice at Chungking and their names ordered struck from the records of the Shanghai Chinese Lawyers' Association. On the other hand, Nanking has demanded that all Chinese attorneys must register with its ministry of Justice, but the order has been ignored.

Naval Head of Asia Development Board Here

Vice-Admiral Shizue Tsuda, newly-appointed director of the Shanghai Liaison office of the Asia Development Board, arrived in Shanghai last Saturday from Japan in the s.s. *Shanghai Maru*. He was met at Wayside Wharf by Major-Gen. Sanetaka Kusumoto, investigation officer in the Board's office, and other high Japanese military and naval officials.

Newly-appointed heads of branch offices of the Asia Development Board will meet in Tokyo late this month or early in April to receive instructions on fundamental policies from Premier Baron Kiichiro Hiranuma, President ex officio, *Domei* reported.

Immediately after the conference, Lieut.-Gen. Heisuke Yamagawa, Director-General of the board, will leave on a series of inspection tours in China. A committee comprised of about 30 civilian leaders and authorities on China affairs is stated to be formed within the board. The committee will be organized immediately as an advisory body.

Nippon Interests Acquire Astor House Hotel Here?

Indicating the complete transfer of ownership from British to Japanese, the Union Jack atop the Astor House Hotel on Whangpoo Road was lowered and the Rising Sun flag unfurled at 3 o'clock Tuesday afternoon, the *Tairiku Shimpo* reported. Ceremonies in connection with the raising of the Japanese national flag were attended by a number of Japanese naval and military officers and civilian business leaders. The Union Jack has been flying above the Astor House Hotel for the past 40 years, the Japanese journal said. Denial that the hotel had been sold was made by the British owners.

Sino-American Cultural Institute Formed in Chungking

BY C. Y. W. MENG (孟 長 沐)

A new bond of friendship between China and America was tied with the organization of the Chinese-American Institute of Cultural Relations in Chungking on February 22, 1939, coincident with 207th birthday anniversary of George Washington.

The inauguration of the institute, which came at a time when China needs friends the most, has fulfilled a long-felt desire on the part of prominent Chinese and Americans to place the cultural relations of the two largest Pacific nations on an even closer and more lasting basis. Its organization serves as a valuable addition to the list of existing Sino-foreign cultural associations in China.

At a large gathering which included many high Chinese officials and leading American citizens, the institute was formally founded in the wartime capital with Madame Chiang Kai-shek and Col. Henry L. Stimson as honorary presidents and Dr. H. H. Kung, China's premier and finance minister, as president. Those present included: Dr. H. H. Kung, General Chang Chun, vice-president of the Executive Yuan; Dr. Wang Chung-hui, minister of foreign affairs; Mr. Chen Li-fu, minister of education; Dr. Chang Po-ling, vice-chairman of the People's Political Council; Mr. Hsu Mo, vice-minister of foreign affairs; Mr. Hollington K. Tong, vice-minister of publicity; and prominent Americans, including Mr. Willys R. Peck, counsellor of the American Embassy; Dr. Arthur Young, adviser to the Central Bank of China; and Mr. George Fitch, American social worker.

Dr. Kung gave a brief inaugural address, in which he stressed the fact that it is not only appropriate and timely at present to inaugurate such an Institute, but also an urgent necessity. The United States and China, are both republics and democracies, working for the maintenance of world peace and spiritually in close affinity, he said, also touching upon the commendable motive of the American people in founding educational institutions in China as well as carrying on philanthropic work.

A Bridge Needed

As one of the vice-Presidents, Mr. Chen Li-fu stated that it is the concensus of opinion that a bridge has long been needed to span the distance that separates the two Republics, and the founding of the institute today provides exactly the foundation for such a bridge. Dr. Arthur Young, the other vice-president, also spoke briefly, expressing confidence that the new institute would do much to promote closer relations between the two countries.

Mr. Willys R. Peck on behalf of Ambassador Nelson T. Johnson, who is now on furlough, stressed two points in expressing gratification at the inauguration of the institute. First, he said, the founding of the institute was spontaneous on the part of the Chinese and the Americans for the promotion of closer cultural relations between the two peoples; and secondly, culture is a thing which is international in character and therefore always benefits both parties.

"We are here to inaugurate a new organization, the Chinese-American Institute of Cultural Relations," declared China's Foreign Minister, Dr. Wang Chung-hui. "The fact that the inauguration meeting of this organization is held today is especially significant. "Two hundred and seven years ago on this day was born to the world the greatest of all Americans, George Washington. It was under his leadership and inspiration that the first great democratic country, the United States of America, came into being.

"Since then China and America, both bordering on the Pacific Ocean, have been brought closer and closer together. In Washington's time, the Pacific Ocean was only a vast expanse of water over which only men of adventurous spirit could hope to navigate. Now it is a most convenient highway. With the present means of communication at our disposal, such as the radiograph and the Clipper service, the distance between China and America is actually reduced to the minimum. Close as we are today, it is only natural that the people of our two countries should seek to cooperate.

"American ideals have inspired many of our political, social and educational institutions, for which we are thankful And towards the realization of these ideals the Chinese-American Institute of Cultural Relations will, I am sure, contribute an important share. And I wish great success to this Institute."

"Unrecognized"

General Chang Chun, who spoke next, aptly pointed out that an institute of this nature should by necessity have been established much earlier. He expressed the hope, however, that the institute would redouble its efforts in pushing forward its promotional program to make up for lost time.

Other officers of the Institute elected included :- Vice-Presidents : Mr. Chen Li-fu, minister of education; Mr. K. P. Chen, director of the Foreign Trade Commission; Dr. John Leighton Stuart, president of Yenching University, and Dr. Arthur Nicholas Young, adviser to the Central Bank of China.

The Executive Council

Members of the Executive Council include: Dr. Sun Fo, president of the Legislative Yuan; Dr. T. V. Soong, acting-chairman of the Commission for Aeronautical Affairs; Dr. C. T. Wang, former ambassador to the United States; Dr. Monlin Chiang, president of the National Peking University; Dr. Wong Wen-ho, minister of economic affairs; Dr. T. F. Tsiang, former ambassador to Russia; Dr. Cheng Tien-fang, former ambassador to Germany; Dr. Hollington K. Tong, vice-minister of publicity; Dr. Kan Chieh-hou, vice-minister of interior; General Chang Chun, vice-president of the Executive Yuan; Dr. Chang Po-ling, vice-chairman of the People's Political Council; Mr. Julean Arnold, commercial attache to the American Embassy and Mr. J. B. Powell, editor of the *China Weekly Review*.

Members of the Advisory Board include: Madame Sun Yat-sen, widow of the late founder of the Republic and the Nationalist Party; Dr. Hu Shih, ambassador to the United States; Dr. Wellington Koo, ambassador to France; Dr. W. W. Yen, former ambassador to the Court of St. James; Dr. Alfred Sze, former ambassador to the United States; Mr. Chang Kai-ngau, minister of communications; Dr. Lo Chia-lun, president of the National Central University, Dr. Edward Hume, Pearl Buck, Bishop Roots, Dr. Roger Greene, Dr. Hawks-Pott, Dr. Paul Monroe, Dr. John Dewey, Mr. Charles Bennett, Major Arthur Bassett, Mr. Maxwell Stewart, Mr. Carl Crow, Col. Chennault, and others.

Dr. Kinn-Wei Shaw, General manager of the China Tea Corporation and director of the commerce department of the Ministry of Economics, was elected secretary-general with Dr. Chang Yi, director of the general affairs department of the Ministery of Education and Mr. Tilman Durdin, Chungking correspondent of the *New York Times* as deputy secretaries-general.

The activities of the Institute, according to the Constitution, will consist of the following:— (a) To conduct researches and studies on topics pertaining to the cultural development of both countries; (b) to issue publications on cultural, political, economic, and social topics of interest to both countries; (c) to give support to such undertakings as may be of mutual interest to both countries; (d) to hold regular and special meetings; (e) to hold social gatherings.

With the students returned from the American universities being predominant among China's overseas-trained men and women, it is expected that the institute will become the largest organization of its kind in China. Establishment of a permanent headquarters will be one of the first acts of the new institute.

Chungking, March 1, 1939

The Sources of Sadism in the China War

BY AGNES SMEDLEY

I am not trying to write an article, but I am moved to add a few opinions and facts to a number of editorials and articles which have appeared in your magazine in the past few months about the cause of the wholesale slaughter, looting and rape in which the Japanese Army has engaged in China since it began invading this country. The civilized mind stands paralyzed before such actions and, as you say, people in other countries who have not been on the scene here cannot conceive that such things can be true.

In your October 22 and 29 issues, you take up this question again and tell how Japanese prisons have been emptied and the prisoners put in the Japanese Army and sent to China. You ask if this is not an explanation of Japanese sadism in China.

No, you are wrong there. That is not the cause. Even if all the prisoners of Japan were concentrated in one force, they never could be held responsible for the conduct of the Japanese Army. There are not enough of them, for one thing, and they were not concentrated in one force alone. Furthermore, not all prisoners are criminals. In this age, the majority of crimes are not murders nor are they primarily sexual. Most offenses in this age are due to poverty. Also, thousands of Japanese prisoners are politicals—that is, men who have struggled against the present feudal and reactionary social and political system in Japan.

The real murderers, the real criminals of Japan, have never been in prison, but sit in the highest ranks of the government, army, navy, and air force. It is they and their brutal feudal mentality which they perpetuate and organize into a system, who are the real criminals, and it is they who are responsible for the conduct of the Japanese Army in China. In fact, we have proof enough now that the High Command of the Japanese Army deliberately brutalizes the soldiers. If they did not do so, this war could not continue, for most of the common soldiers in the Japanese Army are men worried about the poverty of their families at home.

Rewards to Soldiers

Japanese Army commanders not only offer their men cities to do with as they wish as a reward if they capture them, but many of the officers lead and command their troops in burning, looting, raping, and slaughtering civilians. In Nanking the Japanese High Command forced each Japanese soldier to kill captives with his own hands.

If you study captured Japanese letters and diaries, particularly the diaries, you can see the steady brutalization of the Japanese Army. The authors of these diaries begin as ordinary men from ordinary families in Japan; then they come to China and are taken in units to the brothels which the Japanese call "Comfort Houses of the Imperial Army." Some of the diaries show the revulsion these ordinary men at first have with these houses and their rules. Then you can trace the thread of brutalization through drunken brawls, for the men are provided with drink.

Some of the diaries record official orders of high commanders to slaughter the entire populations of villages. One diary which I helped translate into English, of a Corporal Nakamura (killed by the New Fourth Army near Mulinkwan, southwest of Nanking, on the morning of October 1st), speaks of the revulsion of new Japanese recruits who witness the maltreatment of captive civilians for the first time. Corporal Nakamura laconically remarks that the new recruits are raw men and will get used to it in time.

This same Nakamura writes of himself and his company descending upon the village of Lukuochen and running through the town for two hours hunting down girls. One of his colleagues murders a captive girl "because it was her first time and she was so ugly that all the rest of us scorned her." This same diary tells how this Japanese company captured three Chinese civilians, tortured them until they went insane, then killed them. An entry in the diary shortly after this tells of a drunken brawl in which girls from the "Comfort House" were brought, and Nakamura writes next day that it would be wonderful if one could be drunk like that all the time.

Corporal Nakamura began his trip to China with the regrets of a decent man.

"Only Paper Wads"

Salt Lake Tribune

He was turned into a beast in China by the High Command of the Japanese Army. That does not excuse him at all, and he was killed by a Chinese army. Still, his diary, and others like it, are records that mankind must study to learn again and again that culture and civilization must be protected and guarded, and that men cannot be fed on murder, arson, and rape without being turned into dogs. As such they must be treated.

In one of your published articles about "Conditions in Soochow," the anonymous author made a statement like this: "The Japanese soldiers there now seldom assault Chinese women, but satisfy themselves with Chinese prostitutes." I must seriously contest that statement. The New Fourth Army, where I am at the present time, fights in the Nanking-Chinkiang area, and in that entire region the one occupation of Japanese soldiers, when they are not killing, is hunting for women in the villages. In August the New Fourth Army took a town in which the *Wei Chih Hwei*, or local puppet government, guarded by some 200 Chinese ruffians and ignorant men known as the "Self-Defence Corps," was preparing to welcome an advancing column of Japanese who were to garrison the place. The New Fourth captured the entire *Wei Chih Hwei*, disarmed the "Self-Defence Corps" and captured its commanders. All the puppet government and these commanders were brought to a big public trial where they were condemned to death and shot immediately afterwards. Among the witnesses against them were thirty girls and young married women—wives of poor men of the town—who had been captured by the local puppets and locked up in a house to be presented to the Japanese.

Therefore, to state that only Chinese prostitutes are being used by the Japanese troops, is untrue. There are not enough prostitutes in all China to fill the Japanese brothels in the Hongkew district of Shanghai alone. Most of the girls and women in the "Comfort Houses of the Imperial Army" are captives. While I was in Hankow just before its fall, a Chinese lawyer from Shanghai came there with his insane wife. She had been captured and put in one of the Hongkew brothels. This lawyer made friends with a Japanese and the two of them spent weeks searching the brothels in Hongkew. He found his wife. It cost him $10,000 to bribe the Japanese before he could get her out.

Also, here is another instance: Around the end of August a unit of thirty men of the New Fourth Army investigated the railway town of Sinfeng, on the Shanghai-Nanking railway, and found that the Japanese garrison consisted of 50 Japanese who used the railway station as barracks. In the upper floor of that station were ten captive Chinese girls from the town. On the night of September 1st the New Fourth attacked the station with hand grenades. The Japanese fought with machine-guns at first, then retreated to the upper floor in which they kept the girl prisoners. At last, there was no alternative but to burn down the entire station, and this the New Fourth unit did. The fate of the girls tormented them, but it was either this or leaving fifty Japanese alive.

Victims Are Not Harlots

Let no civilized man today "wash his hands" by saying that the women used by the Japanese are prostitutes. It is not true. What is happening to the women of China today will happen to the women of other countries if the Japanese are victorious.

Of course I agree with your statement that Americans simply cannot conceive of the atrocities being perpetrated by the Japanese Army, and so do not always believe them. The American people like happy endings generally; they do not like to be shocked. You say they question the pictures and wonder how any human being can photograph himself in the act of slaughtering and raping. But it is not only as

Puppet Troops Parade in Nippon Army Day Celebrations

Japan's Army Day, celebrated on the anniversary of the capture of Mukden in the Russo-Japanese War, was marked in Shanghai on March 10 with military parades in Hongkew, featured by a march of Chinese puppet troops organized by the "Reformed" government in Nanking. These troops are seen above, and in the center (left) picture. At center (right) the puppet Mayor of Shanghai, Fu Siao-en, watches the parade in company of Japanese officials. Below, bewildered-looking Chinese are seen holding Japanese and Five-Bar flags. Chinese reports said this week that puppet troops of the type pictured above fled in the direction of Soochow when attacked by guerrillas in the Hungjao Road area.

you say, that these photographs are stolen by Chinese employees in Japanese shops. Here in the New Fourth Army we have many captured trophies. Among them are whole camera outfits, with photograph albums which seem to have belonged to officers, because the same officers' pictures appear in many poses throughout. Other photographs are in lots of ten or twenty copies each, which show that photographers were sending back photographs to men in the Army according to order, or to sell generally. Many of these photographs show Japanese in the act of killing civilians. Often the whole scene is shown in a number of snaps—the victim and the Japanese, the man being put to his knees and prepared for the sword, then the head being severed, and then the Japanese standing, bloody sword in hand, looking at the camera proudly.

These photographs are not kept secret by the Japanese, and can even be bought in the Japanese section of every occupied city. The Japanese are proud of them. In the headquarters of the New Fourth Army there are also hundreds of letters, captured in battle. These are to and from Japanese soldiers and their families and friends. Many of them, from friends or sisters in Japan, acknowledge receipt of such photographs. One sister writes to her brother that she received his photograph of a Chinese "mutilated by your sword," and then adds: "We do not know whether to feel sorry for the victims, or to hate them."

Follows Mongol Tradition

I am certain that Genghiz Khan's hordes would also have taken pictures of themselves in the act of wiping out whole populations and raping women had they had cameras in those days. The Japanese are in about the same stage of intellectual and spiritual development as were Genghiz Khan's hordes a few centuries ago, though they have added a few frills, externally. In fact, the Japanese campaign in China is fashioned much after that of the barbarous Mongols of that time, and when a Japanese force enters a Chinese town or village today, they do just about what the Mongol hordes would have done.

We cannot be deceived by Japanese "political strategy" in Hankow and other big places in the past few weeks. The Japanese have not killed so many people in Hankow as in other places, but this is because foreign countries have become revolted by their conduct in China. The anti-Japanese boycott movement and the inability of the Japanese government to secure loans in England or America is the cause of this Japanese "political strategy" today. The nature of the beast has not changed in the least; it is merely turning a slightly different face to the world, temporrily, until it can get enough funds to continue its conquest of China. There is another reason also: Japanese "political strategy" has been adopted in order to make things easier for Wang Ching-wei and his clique to betray and go over to their country's enemy.

The World Must Know

As one of the readers of the *China Weekly Review*, I would like to ask you to publish all the pictures you have of Japanese slaughter, burning, and rape. While other magazines may hesitate to publish pictures of rape, surely you can be courageous enough. If Chinese girls and women can endure the agony that is being inflicted upon them, surely we others can at least face this fact. To hide these photographs is to protect Japanese imperialism. People all over the world must be informed of every phase of Japanese actions in China. Not that this will affect Germany and Italy, for they have done or are doing the same as the Japanese, though they do not photograph themselves in the act. Japanese, German and Italian conduct is much the same, and it is being let loose upon the entire world. It is Fascism we are witnessing, for Fascism is a reversion to barbarism generally.

What is happening to China today will happen to other countries tomorrow. The Japanese will merely use China as a base for the continuation of their depredations of all Asia and then of other countries. Let us not forget the few lines of the English poet, A. H. Auden, which you published in your October 29th issue about the common Chinese soldier. Remember the ending:

Professors of Europe, hostess, citizen,
Respect this boy. Unknown to your reports,
He turned to dust in China that your daughters
Be fit to love the earth, and not again
Disgraced before the dogs; that where are waters,
Mountain and houses, may be also men.

Japanese Forces Press Forward in Hupeh; Ichang, Sian Are Bombed

Relentlessly pursuing Chinese troops retreating northwards along the upper Han River in central Hupeh, Japanese vanguards are pressing in the direction of Siangyang, main Chinese base in the area, a Japanese military spokesman said this week.

The main Japanese force, the spokesman declared, was now between Anlu and Liusuikou, 27 kilometers to the north. The latter town, he claimed, was captured at 3 o'clock on Monday afternoon.

According to Japanese aerial observation, the spokesman continued, Chinese forces in the hilly region west of the Han River were feverishly digging in, while columns of powerful reinforcements were being rushed eastward from Ichang. Japanese Army aircraft, the spokesman added, had subjected Chinese troops retreating westward across the Han River, as well as those attempting to rally at a point south of Siangyang, to an intensive bombardment.

The Japanese forces in Hupeh, the spokesman claimed, had now successfully turned the right wing of the Chinese in that sector forcing the latter to retreat either westward across the Han River, or to the north in the direction of Siangyang.

Ichang, Sian Bombed

The air arms of the Japanese Army and Navy have been extremely active during the past week, bombing cities over a wide area. On Mar. 8, *Domei* reported, naval aircraft "strafed and bombed villages, Chinese bases and troop concentrations" in northeastern Kiangsu. The same day, two raids were carried out on Ichang, Yangtsze port, causing destruction of more than 200 houses and an undetermined number of casualties, which were estimated, however, at 3,000. A Chungking report said that one-third of Ichang was destroyed. According to *Kuo Min*, six bombs hit the American Church Mission, while seven other foreign properties, including a Scottish institution, were also bombed, despite the fact that all were boldly marked with the flags of their respective nationalities.

In a raid on Sian, Shensi capital, on Mar. 8, the Jenkin Robertson Memorial Hospital was hit by three bombs which destroyed the operating theater, the X-Ray department, the machine room and two private wards. A Chinese nurse was killed but there were no casualties among the foreign personnel. The hospital, property of the English Baptist Mission, was marked by two large Union Jacks, *Reuter* reported.

A formal note of protest against the bombing of American property in Ichang was handed by Mr. Paul R. Josselyn, American consul-general at Hankow, to the Japanese consul-general in that city, while a British protest has been sent to Japan against the attack on the Jenkin Robertson Memorial Hospital in Sian.

In the House of Commons on Mar. 12, R. A. Butler, under-secretary of state for foreign affairs, announced that Britain had protested to Japan in 22 cases of damage suffered by British subjects or property since the commencement of the war in 1937.

Japan Receives Protests On New Currency Rules

Protests against the new currency regulations in North China were lodged early this week with the Japanese government by Great Britain, France and the United States. According to a *Havas* dispatch from Washington, the American note emphasized the "discriminatory character" of the new regulations. In a message from Tokyo, the Japanese *Domei* agency said that the Japanese government would reject the protests, contending that the new regulations were not discriminatory and did not violate the principle of equal trading opportunity "since Japanese nationals are subject to the same exchange restrictions as others in effecting shipments abroad."

R. A. Butler, British under-secretary of state for foreign affairs, announced in the House of Commons Mar. 13 that Britain had also protested to Japan against the menacing situation created by the Japanese army in Tientsin. P. J. Noel-Baker, Labor member, asked Mr. Butler whether it would not be correct to say that the British Concession in Tientsin "has gradually become a Japanese concentration camp." Mr. Butler replied that it would not, "but the seriousness of the situation is in no way minimized by my answer."

Body of Murdered Missionary Found

A search party of Japanese troops discovered on Mar. 11 the naked body of the Rev. Junipro Coochi, Catholic missionary at Kowhsien in northern Shansi, who was allegedly killed by Chinese soldiers of the Eighth Route Army on March 6, according to a message received by Japanese authorities in Peking and relayed to Shanghai by *Domei*.

A Japanese Army unit which had been searching for the Italian missionary since the report of his death found his body in a village 10 kilometers west of Kowhsien.

About 30 Chinese soldiers reportedly kidnapped the missionary and his wife while they were preaching at the village. The Rev. Mr. Coochi was killed on the outskirts of the village, while his wife and Chinese missionaries who accompanied them were kidnapped.

The Road to Passionate Patriotism

BY MADAME CHIANG KAI-SHEK

Editor's Note—Following are further instalments of an article entitled "Resurgam" by Madame Chiang Kai-shek which was published in the special New Life Movement supplement of the Central Daily News, Chungking, on January 29, 1939.

HOW can we, the so-called intellectuals, contribute to the great task of preparing our people to give their full assistance to the work of national resistance and rehabilitation?

No matter how efficient and honest our government officials may be in the performance of their duties, we cannot build up a strong and virile China if our people themselves continue to remain without understanding of, and cold to, the ideals of freedom.

Here is an avenue for the application of the talents and the energy of the educated. Where ignorance exists among the great masses of the population it must be dissipated. Where articulation is possible it must be marshalled in the interests of good, and enlightened, and honest government.

The adage that people have the kind of government they deserve, contains much truth. Dr. Sun Yat-sen, when he advocated a period of political tutelage, had the sagacity to foresee that the proper training to enable our people to shoulder political and social responsibilities would be necessary if they were to learn how to apply effectively the practical working principles of a modern democracy.

Along this line we have progressed some distance, but, I may ask, what are we doing to disentangle ourselves finally from the bewildering labyrinth of complicated political theories and isms which now menace the world, so that we may focus our entire attention upon those simple fundamentals so vital to the successful governing of ourselves and the State? There are lessons to be learned on all sides; lessons from the world around us, lessons from our own experiences and from our national past.

Executioner's Sword

During the Manchu regime the shadow of the executioner's sword hung ominously over the heads of all who dared openly to express critical political opinions, or showed undue curiosity with regard to the conduct of national affairs. It had the effect of preserving administrative functions as the prerogatives of the so-called "official class," while the interests of the people became confined within the circumscribed scope of family life.

The effects of such devastating restrictions upon thought and action strangled public opinion and stifled patriotism. They are, too, strikingly reflected in the dry and pedantic nature of the writings produced during the Ching Dynasty. With rare exceptions, barrenness of thought and conventionality of treatment of political and social topics characterized the output of the literati of that period.

The masses of the people, in these circumstances, became not only ignorant but also inarticulate. Indifference and apathy to all matters of public concern resulted and continued until the overthrow of the decadent regime responsible for this deplorable condition.

A new era having been fortunately initiated by the Revolution, we have come into the priceless possessions of freedom of thought and action. The tragic shadow of the executioner's sword has been replaced by the transcendent power of the pen and the press; and the possibilities have come to us to develop public opinion upon a basis beneficial to our own State and helpful to the world at large. Here is where we intellectuals can make our great and lasting contribution to the resurgence of our country, and so answer the question which opens this article.

The rich harvests of knowledge garnered from the fields of accumulated wisdom and experience of ages past, sustained by the scientific and cultural fertility of our own times, are ours for the taking and the expression.

Because of these blessings it is incumbent upon us to help cast off whatever shackles of subservient silence may still remain upon us, and, with our liberated breaths sound a clarion call to create enlightened public opinion for the purpose of assisting in the promotion of national freedom.

To crystallize the voice of the people, and to make it effective, emphasis must be laid upon its wise uses in the interests of the body politic. If criticism is necessary at any time it should be constructive criticism. Freedom of expression of opinion, whether collective or individual, must always be connected with order, be characterized by self-restraint, and be used for the greatest good of the greatest number.

There is a warning for us in the words of George Washington which we should not overlook, that "in a free and republican government you cannot restrain the voice of the multitude. Every man will speak as he thinks, or, more properly, without thinking, and consequently will judge of effects without attending to their causes."

This may or may not be true, but if we have concrete aims to develop enlightened public opinion, one, at least, should be to make a national maxim of our old classical proverb—Heaven sees as the People see; Heaven hears as the People hear—which finds its parallel in the more concise Latin dictum, *Vox Populi, Vox Dei*—"The voice of the people is the voice of God."

Liberty, Not License

We have nothing to gain and everything to lose if we permit the popular voice to become mere sound without sense.

Personal recriminations and destructive criticisms, jealousies and vindictiveness, should, on the one hand, be discouraged whenever and wherever they may be heard so that license and abuse may not assume the importance of—and be mistaken for—liberty.

On the other hand we must strive to shape public opinion so that its articulation may inspire men in public office or in private life, consciously and conscientiously, to develop and apply to all affairs the influence of the best traits of their character.

That would mark a first step on the road to the establishment of commendable passionate patriotism, and to the permanency of those ideals of honesty, service, and cooperation without which no nation can prosper or long endure. That, too, would assure the materialization of the courageous determination necessary to fulfill for China the prophesy signified by the word RESURGAM—"I shall rise again."

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IN my previous article I suggested that the intellectuals of China could make a lasting contribution to the resurgence of their country by assisting in the development of a wise and a nationally-conscious public opinion.

There are two outstanding reasons why enlightened public opinion is essential. One is the necessity of making resistance a primary national purpose in which all the people must participate. The other is the immediate need and advisability of beginning the gigantic task of national rehabilitation.

Japan's "Oyster"

New Orleans Times-Picayune

To develop public opinion among the masses of the people and effectively to direct their energies into national productive channels, talent and energy, such as are possessed by the intellectuals, are required.

There are two major approaches to the solution of the problem involved. One is through personal contact with the people by the students in schools and universities, and the other is through systems of mass adult education. There are numerous minor methods which might be developed and adopted, but these can be postponed for later consideration.

Opportunities for Educationists

Just now I wish to confine attention to the unique opportunities for national service which are open to the universities, the

colleges, and the schools. These halls of learning have the first access to the receptive minds of the rising generations, which very fact imposes upon the professors and the teachers a grave responsibility. For good or for evil they have it in their power to determine, by the fundamental instruction and form of learning that they impart to the students, and by their own conduct, the stature of our future citizens and the status and the character of our nation.

The teachers should always bear in mind that to shape the future of our race for the good of the nation the plastic minds of the young must be fired with a proper understanding of the patriotic purposes of life. They must be inspired with a comprehensive idea of service; and they must be stimulated to manliness by the knowledge that their education is primarily to be employed for the betterment of their fellow countrymen. If this is effectively done, the universities will find it easy to guide the growing intellects along channels which will spontaneously generate in the mature graduates an insatiable urge for national service. That, at least, should be their aim.

Success in producing worth-while citizens with the ability to pass on to the people their learning, and the principles instilled into them, can be achieved if a determined effort is made to educate the students to think and to act along constructive lines beneficial to the nation. The spirit of usefulness can be fostered during school sessions by providing actual experience in practical systematic service to the people living near the campi. During vacations, this work may be extended to the neighborhoods of the students' homes. Early in their lives young men and women will thus be able by personal contact to taste to the full of the joys derivable from actual service to their less fortunate fellow-countrymen. In addition, they should be able to experience the exhilaration that should come from the knowledge of returning in a practical way to the people some of the benefits secured through education in institutions founded and conducted at public expense.

Practicability Demonstrated

This active participation in service to the people was demonstrated as practicable by the students of the School for the Sons of the Revolution at Nanking. Middle school boys devoted their afternoons, after class hours, to teaching the children of farmers in schools which the students themselves founded. They gave their week-ends to helping personally in the surrounding villages—teaching hygiene, patriotism, better methods of agriculture, and other subjects which they had learned in their classes. Clinics were held for the benefit of the peasants; and instructive programs were given for their entertainment. Now most of these boys are at work helping to win the war. Many are in the battle areas actively assisting the soldiers, while others are doing practical work behind the lines. What those boys did then, the students now at school can do.

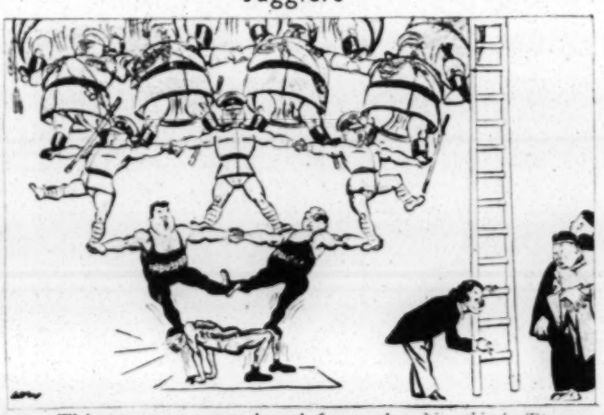
There is immense scope for patriotic effort everywhere—among the villagers and among the refugees. In every town there are calls for assistance to guide the people along ways to help in the winning of a great victory, as well as in developing the knowledge and judgment necessary for them to assist in rehabilitating and reforming our country.

The faculties of universities should never forget that their institutions are instruments, or vessels, from which ultimate blessings are expected to flow direct to the people. Were it otherwise there would be no justification for spending on their maintenance public funds which are so sorely needed for purposes of resistance. It would also be derogatory for those connected with such institutions to try, in such times of national stress as these, to preserve them as a means of personal subsistence.

Centers of Resistance

The Japanese, in an effort to justify their bombing of universities, claim that our schools and universities are centers of resistance. That argument now justifies all educational institutions in living up to the charge. They should be centers of resistance; so much so in fact that they should be empty because the students were away on the battle lines fighting for their country. That would be the case with the great universities in other lands. I know of universities in Great Britain, for instance, which emptied themselves of every student fit for service when war was declared in 1914. I am sure that would happen again in the event of another war. Those heroic students had no doubt about where their sphere of activity should be, or what they owed to their country. Without hesitation they laid down their books, picked up rifles, and went forth to war to pay the debt, which most of them did with their lives. Since, however, our armies are sufficiently large at present not to need recruitment from our schools our students should requite their obligation to their country in other ways.

"Jugglers"



This cartoon, reproduced from the *New York Times*, shows Japan in the act of inviting China to join the Anti-Comintern Bloc. The figure at the bottom is labeled "Shaky Economics."

Why, may I ask, is Oxford University today endeavoring to replace many of the valuable books in our university libraries which were destroyed by the Japanese? Not for the sake of the universities themselves, but, it is certain, for the sake, directly or indirectly, of awakening the intelligence of our people and ameliorating the conditions of their lives. That, too, should be the specific aim of our own universities.

As centers of enlightenment, education, and service, the universities have their definite duties in times of crises even more than in time of peace. They have a moral responsibility placed upon them to direct all their efforts towards one goal—the attainment of victory, and the rehabilitation of the country. If they can help to achieve that, as they should do—and that is what the country is watching and expecting them to do—then they will be entitled to be proud of contributing in great measure to the fulfillment of the determination of their bludgeoned country to survive and progress as signified by the word RESURGAM—"I shall rise again."

Chungking Reports 138 Plants Moved to Interior

Up to the end of 1938, a total of 138 factories had been removed from coastal cities to the interior of China, according to statistics released by the authorities in Chungking and published in the *Shun Pao*. The following is a listing of the plants removed:

64 machine shops and hardware factories, consisting of machinery weighing 4,494.8 tons;

18 electrical apparatus manufacturing plants, with machinery weighing 3,071.1 tons;

22 chemical plants, with machinery weighing 3,124 tons;

5 glassware factories, with machinery weighing 632 tons;

7 cotton and spinning mills, with machinery weighing 7,788.8 tons;

12 printing plants weighing 1,678.5 tons;

4 dockyards, with machinery weighing 172.8 tons;

2 coal mines with machinery weighing 3,600 tons;

4 other plants, with machinery weighing 357.4 tons.

Palestine Has Bloody Week With 82 Killed

Last week was the bloodiest in recent Palestine history, according to a *Transocean* report from London which gave an official total of 82 deaths during the seven-day period. Seventy-five Arabs, six Jews and one British police officer were killed. Fifty Arabs lost their lives in clashes with Jews, 25 were killed in fights with British troops and police. The list of the seriously wounded included 55 Arabs and 10 Jews.

The London Conference on Palestine is reportedly in danger of breaking down without achieving any beneficial result because of the impossibility of reconciling Arab and Jewish demands. The Arabs demand the creation of an independent Arab state in Palestine and the ending of Jewish immigration into the Holy Land. If the Conference fails to reach agreement, it is thought likely that the British government will enforce a plan of its own making.

China's Thanks for U.S. Red Cross Gifts

Dr. C. Y. Wu, director of the China National Red Cross Bureau at Hongkong, telegraphed the official thanks of the Chinese for a consignment of supplies recently sent to China for civilian relief by the American Red Cross. The shipment included 1,000 cases of evaporated milk contributed by the Pet Milk Company of St. Louis, 10 cases of canned vegetables by the Snyder Packing Corporation of Rochester, N. Y., three cases of adhesive plaster and sutures contributed by the Kendall Company of Chicago, together with two other cases of medical supplies. These contributions were in addition to a larger shipment, including a large quantity of cracked wheat which was received in Shanghai and Hongkong previously.

Mayor Fu Makes Demands on S.M.C; Guerrillas Attack in Hungjao Area

S.M.C. REVEALS AGREEMENT WITH JAPANESE

Misleading reports appearing in the foreign press, especially Japanese papers at home, caused the Shanghai Municipal Council to make public on Tuesday of this week details of the recent agreement between S.M.C. and the Japanese authorities regarding the suppression of terrorism in the Settlement.

As in previous statements, the maintenance of the integrity of the Shanghai Municipal Police was stressed. Outstanding points listed in the statement included the following:

1.—The Shanghai Municipal Police are prepared to give sympathetic attention to the recent suggestion of placing a senior Japanese officer together with several Japanese subordinates in a composite section within the framework of Crime Branch, S.M.P. Headquarters.

2.—The S.M.P. are prepared to furnish, in a general way, facilities to the Japanese authorities for the purpose of examining prisoners arrested in connection with terrorist cases when the information leading to the arrests is supplied by the Japanese authorities.

The S.M.C. statement denied reports published in the Tokyo press to the effect that Japanese gendarmes are to be stationed in S.M.P. stations. In this connection, the Council stated:

"There is no foundation for the suggestions that have appeared in certain press reports that offices of the Japanese Gendarmerie are to be established in Shanghai Municipal Police stations, or that the Japanese Gendarmerie will be stationed in Shanghai Municipal Police Stations. Nor is there any foundation for the report that the Commissioner of Police has agreed to the supervision of Chinese police by the Japanese Gendarmerie."

WITH the wave of terrorist attacks against Japanese puppet officials having subsided, fresh excitement for Shanghai residents was furnished Monday of this week when Chinese guerrilla forces moved in to the district near the Hungjao Golf Club and engaged Chinese soldiers of the so-called "Pacification Army" brought here by the Japanese Army to "help restore order" in districts adjacent to Shanghai.

Commencing operations around midnight Sunday, the guerrillas assaulted first a "Pacification Army" post not far from the Hungjao Road bridge over Rubicon Creek, rifle and machine-gun fire being heard all over the neighborhood. Several hours later firing was heard near MacLeod Road and Monument Road. As daylight dawned, Japanese soldiers were being rushed into the western district and search parties were sent into neighboring villages where they reportedly mistreated the inhabitants by kicking and slapping all and sundry. Casualties in this guerrilla incursion, if any, are not konwn.

On Tuesday night of last week, the Shing Lunghwa railway station, not far from the South Station in Nantao, was wrecked and much Japanese war material seized when Chinese guerrillas made a surprise attack on the Japanese garrison, Chinese sources reported. Col. Sheng Chi, guerrilla leader, was killed in the action.

Incendiaries Said at Work

According to the Shanghai *Mainichi*, terrorist gangs are roaming the streets of the Japanese-patrolled Yangtszepoo area and setting fire to vacant houses in almost nightly sorties. The incendiaries were said to consist of Chinese employees of foreign firms and factories in Hongkew, aided by others who have filtered into the district from Pootung.

Japanese troops also went into ation on the Pootung peninsula early this week. The town of Chuensha, garrisoned by 100 Japanese soldiers, was said to have been surrounded by Chinese irregulars, and a Japanese detachment from Kaochangmiao, Nantao, was reportedly dispatched to their aid. On Friday of last week, Japanese troops occupied Nanhwei, major city in the Pootung peninsula, 50 kilometers southeast of Shanghai, *Domei* reported. Occupation was said to have followed an all-day engagement with 1,000 Chinese irregulars. In this and other actions in the vicinity, the Japanese claimed to have killed 128 Chinese, placing their own losses at one killed and three wounded.

Japanese sources also claimed successes in actions against guerrillas in the Soochow and Nanking areas. Chinese losses in the Soochow area alone, between Jan. 21, and Feb. 21, were placed at 1,004 dead and 84 prisoners taken.

Pi Fu-chu, chief of the Japanese-sponsored Detective Bureau in Weihaiwei was shot dead in that city on Mar. 6, according to a correspondent of the *Shanghai Evening Post*. Pi was standing just outside the North Gate of the city, when a guerrilla fighter walked up to him, drew a pistol, and shot him through the head right under the nose of Japanese sentries who were stationed at the gate. The killer escaped after relieving Pi of two military Mauser pistols and 50 rounds of ammunition.

Reports appearing in the Japanese press that "offices of the Japanese gendarmes shall be established not only in Shanghai Municipal Police stations, but also in all sub-stations," as part of the precautionary measures agreed upon Mar. 3 between the S.M.C. and the Japanese authorities for the suppression of terrorism, were denied by S.M.C. circles, the *China Press* reported Mar. 11, it being understood that policing rights and the integrity of the S.M.P. were to be maintained. The S.M.C. has not released the terms of the Mar. 3 agreement for publication, and Japanese newspapers have consequently had a free hand to publish versions to suit themselves.

On Mar. 11, a truckload of armed members of the U. S. Fourth Marines, accompanied by two officers, drove up to the residence of Zao Sau-chen, director of the Consolidated Tax Bureau of the "Reformed" government, at 39 Nanyang Road, and surrounded a small group consisting of a number of S.M.P. detectives and four plain-clothes members of the Japanese Military Police, who reportedly were about to investigate accusations made against Zau by some of his rivals in the "Reformed" government. The two American officers told the Japanese policemen that they could not take any independent action within the American defense sector, whereupon the intruders were seen to leave. Marine Headquarters declined to comment on the incident.

No Protest Made

A denial that the American authorities had protested against the recent understanding reached with the Japanese authorities in regard to cooperation for the detection of terrorists was issued by the S.M.C. on Monday of this week. This denial had direct reference to the Nanyang Road incident, the S.M.C. stating that the American authorities had merely drawn attention to certain "irregularities" in the carrying out of the S.M.C.-Japanese agreement of Mar. 3 and that steps were being taken to prevent their repetition, but that there had been no protest against the agreement itself.

Domei reported from Tokyo on Mar. 10 that 2,000 applications had been received for the filling of 30 posts in the Japanese branch of the S.M.P., which is to be brought up from its present strength of 269 to 299. Among the applicants, who will take examinations, were second-generation Japanese residents of the United States, as well as others residing in the Hokkaido and Formosa. The examinations, which will be supervised by Asst. Commissioner Iwao Kakegawa, will be held in Tokyo between April 5 and 7.

Several demands were served on the S.M.C. and the Senior Consul Mar. 11 by Fu Siao-en, puppet mayor of the Greater Shanghai Municipality. They called for

Japanese Relief for China

China Today (*New York*)

"They asked for bread and he gave them—opium"

better policing methods in order to check terrorist and Communist crimes, in the International Settlement and French Concession; the reopening of the "Ta Tao" police station at Columbia and Great Western Roads which was closed down recently by the British military authorities; house to house searches in the Settlement for terrorists and Communists; the immediate handing over of the First Special District Court to the new Municipal Government; prohibition of the flying of the Kuomintang and National Government flags in the Settlement; delivery to the new Municipal Government of all files, documents and stubs of certificates of the former Land Office, which were placed in safe-keeping with the S.M.C. when Chinese troops retreated from Shanghai.

Police went from house to house in the French Concession last Sunday ordering Chinese to haul down Chinese flags being flown at half-mast on the occasion of the 14th anniversary of the death of Dr. Sun Yat-sen. The Japanese press expressed appreciation of the "good faith" thus exhibited by the French authorities, since the appearance of Chinese flags was said to be a "stimulant" to terroristic acts.

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British, French Troops Patrol Tientsin Streets

Shut in by electrically-charged barbed wire barricades Tientsin continued this week to present the aspect of a beleaguered city. The British and French ambassadors in Tokyo delivered protests to the Japanese foreign office against this state of affairs on Mar. 7, and the American embassy was understood to have associated itself with the protest, *United Press* reported. Traffic continued to pass unhindered in and out of the Concessions, but a tense atmosphere prevailed due to the Japanese placing machine-guns at all strategic points around the foreign-controlled areas.

The French Concession is being patrolled by Colonial Infantry, while details of the Durham Regiment are patrolling the streets of the British Concession, *Reuter* reported. Since Mar. 11 British and French police have been searching all Chinese entering the foreign areas to make sure they are not carrying arms.

Singapore Urged to Abandon Free Trade

Abandonment of Singapore's traditional policy of free trade, so as to control foreign competition, particularly "the Japanese menace," was advocated by Sir John Barlow in an interview with *Reuter* Mar. 12. Sir John, who is a director of the Manchester Chamber of Commerce and a member of the chamber committee which deals with textile exports from Manchester to Malaya, has been visiting Malaya for several weeks.

The Japanese, he declared, would rapidly dominate the Malayan market when they made peace with China, unless suitable precautions were taken immediately. If British firms wished to retain their trade, it was up to them to make recommendations to the Government to secure their position.

"I am certain," he said, "that it would further British commercial interests to protect the Malayan market from foreign competition, and that the vast majority of British people in Malaya agree with such a policy. It is illogical to suggest that the population of Malaya should enjoy the cheapest goods and at the same time receive the best protection and administration in the world. Why should England spend vast sums on the Singapore Base and at the same time allow foreigners free access to this splendid market to the detriment of British interests?"

American Mission Property Restored

Foreigners were permitted on Mar. 10 to enter the Middle School and Hospital of the Southern Presbyterian Mission at Kashing, on the Shanghai-Hangchow Railway, this being the first opportunity given them since occupation of the property by Japanese troops on Nov. 19, 1937. The property was turned over to a party of Americans including Dr. W. H. Hudson, Rev. George Hudson, Miss R. E. Lynch and Rev. J. Y. McGinnis.

Soochow University and the Laura Haygood Middle School in the same city were turned back to their American owners on Mar. 9, and according to reports received here the premises were found to be in a deplorable condition—not only filthy, but thoroughly looted of the expensive equipment which had been there at the time of the Japanese occupation.

The Virginia School, an American missionary property in Huchow, northern Chekiang, was returned to the control of its owners this week. The Chinese Boys' School, however, is still occupied by the Japanese army.

Complete destruction of the Southern Baptist Mission Hospital at Kweilin as a result of the dropping of incendiary bombs from Japanese airplanes last Dec. 29 was reported by Baptist missionaries who arrived in Shanghai this week from the Kwangsi capital. The hospital was destroyed by fire which spread from an adjoining building hit by one of these bombs, but thanks to measures previously taken it was possible to save all the patients in the institution.

During the same bombing raid, it was disclosed, the Christian and Missionary Alliance Church property was also destroyed by fire. In an earlier air raid, on Dec. 24, a bomb scored a direct hit on a dug-out in the Missionary Alliance compound, burying alive 15 Chinese who had sought shelter there. Three were eventually rescued, the others all perished.

A survey has revealed widespread damage to properties of the Southern Baptist Mission in various parts of China due to Japan's aerial bombing campaign and other military activities. In addition to mission residences and churches, eight hospitals, 11 dispensaries and 20 schools built up by more than 100 years of effort have suffered partial and in some cases total destruction. Similar damage has been done to institutions of the American Church Mission (Episcopal). No foriegn missionaries of either of the two denominations have been killed or injured.

It is stated that with the exception of the Shanghai University, practically all property of the Southern Baptist Mission has been returned by the Japanese to the control of the owners. No estimate of the damages sustained by various institutions is yet available, but it is understood that the missions have lodged claims against the Japanese with the American authorities in all cases where the Japanese are considered responsible.

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Gauss Notified That Missionaries Are Safe

The Japanese authorities have notified C. E. Gauss, American consul-general, that American missionaries residing at the town of Hwaiyuan, northern Kiangsu province, which has been captured by the Japanese, are safe. The Americans, members of the Southern Presbyterian Mission, who reside at Hwaiyuan, are Dr. and Mrs. L. N. Bell and two children, Miss Lina Bradley, Dr. and Mrs. O. K. Geiser, Miss May McCown, Mrs. C. L. Oliver, the Rev. G. P. Stevens, Miss Margaret Sells, the Rev. A. A. Talbot and Dr. and Mrs. J. B. Woods, Jr. Thus far nothing has been heard regarding Americans and other foreigners residing at other places in Japan's new "war zone" in northern Kiangsu, including Haichow, Taichow and Yencheng. The town of Yencheng has not been captured by the Japanese, according to the report.

U. S. Businessmen Protest to Chamber

American businessmen in North China have asked the United States Government to take further steps to protect American rights and interests in Japanese-occupied areas of China, the United States Chamber of Commerce announced in Washington Mar. 10, according to *United Press*. American businessmen in North China also complained to the Chamber of Commerce headquarters that Japanese officials were seeking to drive American enterprise out of the North China markets, mainly through new exchange, export and import regulations being imposed by Japan.

"The American Chamber of Commerce in Tientsin," the Chamber headquarters announced, "reports that arbitrary measures in the form of export embargoes and restrictions and exchange controls have been adopted by the Japanese-sponsored government of North China. These restrictions threaten to eliminate that territory as a source of supply of important unmanufactured products necessary to American industry and also as a market for American goods.

"Developments in North China indicate that the Japanese are determined to eliminate American business from North China."

The Chamber of Commerce headquarters said the American Chamber of Commerce at Hankow also had protested against Japanese violation of American rights in China. The Hankow Americans protested particularly against the Japanese restrictions on the movement of foreign ships and foreign nationals on the Yangtsze River.

Japanese "Dog Tags"

Restrictions on the movement of foreigners within Hankow also were protested, pointing out that the Japanese refused to accept an American passport as identification and required all foreingers, including Americans, to register with Japanese offices and carry Japanese "dog tags."

The American Chamber of Commerce in Hankow reported that more than 3,000 Japanese vessels had arrived in Hankow the first month following occupation of the city by Japanese troops.

"Hampering restrictions have been placed on American and other foreign trade at the same time," the Hankow protest reported. "Japanese imports are offered for sale in Hankow freely, and Japanese exports to Japan move without interference."

The Hankow American Chamber of Commerce also urged the United States Government to take stiff retaliatory measures against Japan.

Sino-British Cultural Body Meets in Chungking

Prominent British and Chinese residents in Chungking attended a meeting of the Sino-British Cultural Relations Association on Mar. 14 when H. J. Timperley, *Manchester Guardian* correspondent, and also Lo Chia-luan, chancellor of the National Central University, spoke, urging closer cooperation between Chinese and British cultural institutions for the purpose of furthering understanding between the British and Chinese people. The Sino-British Cultural Relations Association was organised at Nanking in 1933.

Stalin in Speech Lets 'Aggressors' Down Lightly, Hits the Democracies

THE international position of the Soviet Union and the alleged machinations of the "democratic" powers who were said to have been endeavoring to push Russia into a war with Germany, accounted for the major portion of a three-hour speech delivered by Dictator Joseph Stalin at the opening of the 18th Congress of the Communist Party of the Soviet Union in Moscow on Mar. 10. It was the first congress to take place in five years, and, as is usual with such gatherings, all reports were adopted unanimously while delegates vied with each other in rendering hosannas of praise to Stalin's infallible leadership.

London diplomatic circles, according to *Havas*, were impressed by the fact that Stalin abstained from any attack on Nazi Germany, just as Hitler in his recent speeches, especially in his Reichstag speech on Jan. 30, not only made no attacks on the Soviet Union but even refrained from mentioning that country. Stalin, instead, insisted that he desired to develop friendly relations with all countires, without exception, and observers in London said they would not be surprised if the impending Soviet-German commercial negotiations led to a political rapprochement.

Speculation also centered on the possibility that Moscow policy might now be designed to divert Germany's attention from the Ukraine to Poland and the question whether the possible partition of the latter country might not lead to a Nazi-Soviet accord.

Circles close to the State Department in Washington evinced little interest in Stalin's speech, *Havas* said, but thought it might reflect the Soviet view that Hitler's ambitions have, at least temporarily, been diverted from the Reich's eastern neighbors to the colonial powers in the West.

New War in Progress

Stalin declared that "a new imperialist world war" was already in its second year, involving over 500 million people over a huge expanse of territory stretching from Shanghai to Gibraltar. The map of Europe, Africa and Asia, he said, is being violently changed and the entire post-war system, "the so-called peace regime," had been shaken to its foundations. For the Soviet Union, however, the recent years had been a time of growth and prosperity, years of economic and cultural advance, years of further growth of the country's political and military might, years of struggle for the maintenance of peace throughout the world.

Contrasting the position of the "non-aggressor" countries with that of the "aggressor" countries, the Soviet dictator asserted that Japan, Germany and Italy, having reorganized their economy on a war basis, have not yet reached a crisis of overproduction, although they are approaching it. The economically more powerful "non-aggressor" countries, on the other hand, will emerge from economic crisis when the "aggressors," having exhausted their reserves of gold and raw material, will just be entering a period of most intense crisis.

Unfavorable economic conditions, Stalin went on to say, "could not but lead to a sharpening of the relations between the powers. Already the previous crisis reshuffled the cards and led to the sharpening of the struggle for markets, for sources of raw materials. The seizure of Manchuria and North China by Japan, the seizure of Abyssinia by Italy—all this reflected the acuteness of the struggle between the powers. The new economic crisis must lead to the further sharpening of the imperialist struggle.

"It is no longer a question of competition for markets, of trade warfare, or dumping. These methods of struggle have long been recognized as inadequate. It is a question of a new redivision of the world, of spheres of influence and colonies by military action." With the overthrow of the Versailles Treaty by Germany and Italy, the tearing up the Nine-Power Treaty by Japan, and the withdrawal of these three "aggressor states" from the League of Nations, the new imperialist war has become a fact, Stalin declared. Now the aggressors were busy deceiving public opinion by references to the "Berlin-Rome Axis" and the "Anti-Comintern Pact" which, in the view of the Soviet dictator, are merely euphemisms for military blocs or alliances.

Nevertheless, Stalin went on to say, "the characteristic feature of the new imperialist war is that it has not yet become a universal war. War is being waged by the aggressor states which are infringing in every way upon the interests of the non-aggressor states, primarily England, France and the United States, while the latter are drawing back and retreating, making concession after concession to the aggressors. Thus open redivision of the world and the spheres of influence is taking place before our eyes, at the expense of the interests of the non-aggressor states, without the least attempt at resistance and even with a certain amount of connivance by the latter."

"Over My Dead Body"

Homan in East Arkansas Record

While asserting that the "non-aggressor" powers had reason to fear that war would lead to revolution in one or in several countries, Stalin did not regard this as the sole or even the main reason for the concessions made to the "aggressors."

"The main reason is that the majority of the non-aggressor countires, and primarily England and France, have abandoned the policy of collective security and the policy of collective resistance to the aggressors, that they have taken the position of non-intervention, the position of 'neutrality.'

Trading With Aggressors

"Formally, the policy of non-intervention might be described in the following words: 'Let each country defend itself against the aggressors as well as it can. It does not concern us. We shall trade with the aggressors and with their victims.' In actual fact, however, the policy of non-intervention is tantamount to connivance at aggression and to unleashing war—consequently to its transformation into the world war. Through the policy of non-intervention, there runs the eagerness and the desire not to prevent the aggressors from perpetrating their black deeds."

Stalin made no reference to the fact that the Soviet Government, right from the beginning of the Spanish civil war, was a member of the Non-Intervention Committee and remained in it until after Franco captured Barcelona, thus, according to his own interpretation, "conniving" at the "black deeds" of the "aggressors."

According to Stalin, the "non-aggressors" were stealthily encouraging the aggressors, allowing them to weaken and exhaust each other, so that at the appropriate moment the non-aggressors could "appear on the scene with fresh forces, come out 'in the interests of peace' and dictate their own terms to the weakened belligerents. It is cheap and it serves the purpose."

Stalin charged the British, French and North American press with fomenting a scare regarding plans for a German invasion of the Soviet Ukraine. "It looks," he said, "as if the object of this fuss was to raise the ire of the Soviet Union against Germany, to poison the atmosphere and to provoke conflict with Germany without any visible grounds for it."

Hitler's Ukraine Plans

Apparently refusing to take notice of detailed reports of the Ukrainian separatist movement being prepared in Germany, which have come from many and trustworthy sources, Stalin went on to say: "Of course, it is fully possible that there are madmen in Germany who dream of annexing the elephant to the gnat, that is, the Soviet Ukraine to the Carpathic Ukraine. And if there really are such madmen in Germany, it is certain that we shall find sufficient straitjackets for them. But if we ignore madmen and turn to normal people, is it not clear that it is ridiculous and stupid to talk seriously of annexing the Soviet Ukraine to the so-called Carpathic Ukraine?"

"Pacifism and disarmament schemes are dead and buried," Stalin went on to say, and then proceeded to outline the foreign policy of the Soviet Union in the following categorical terms:

1. We stand for peace and for strengthening of business-like relations with all countries. This is our position and we will adhere to it as long as these countries will maintain identical relations with the Soviet Union, as long as they make no attempt to violate our country's interests.

2. We stand for peaceable, close and neighborly relations with all neighboring countries which have a common frontier with the U.S.S.R., this is our position and we shall adhere to it, as long as these countries maintain identical relations with the Soviet Union, as long as they make no attempt to trespass directly or indirectly on the integrity and security of the frontiers of the Soviet state.

3. We stand for rendering support to nations which have fallen prey to aggression and are fighting for the independence of their countries.

4. We are not afraid of threats from aggressors and we are ready to retaliate with two blows for one against instigators of war who attempt to infringe the integrity of the Soviet borders.

Paints Rosy Picture

Turning to internal Soviet affairs, the Soviet dictator declared all "remannts" of the exploiting classes had been eliminated and that the Soviet Union had achieved a "complete stability of the internal situation" which any country in the world might

envy. Citing astronomical figures of the increased production of the country, he asserted that socialist industry now accounted for 99.97 per cent of all industrial output, and private industry for the remaining 0.03 per cent.

"From the standpoint of the technique of production and the degree of the saturation of industry with modern machinery, the U.S.S.R. holds first place in the world. The U.S.S.R. has similarly overtaken and outstripped the principal capitalist countries in the rate of industrial development.

"In what respect are we lagging," Stalin then asked, replying: "We are still lagging as regards the volume of our industrial output per capita. The economic might of the country's industry is not expressed by volume of industrial output in general, irrespective of the size of population, but by volume of industrial output in direct reference to consumption of industrial goods per capita." The dictator avoided reference, in this connection, to the enormously high costs of production in the U.S.S.R. as compared with other countries, the poor quality of finished products, especially articles of consumption, and the vast amount of wastage in Soviet industry, concerning all of which complaining reports appear constantly in the Soviet press.

Justifies Purges

Speaking of the "purges" which have cost the lives of thousands, including prominent leaders of the Bolshevik Party, who, according to the findings of the International Commission headed by Dr. John Dewey, were executed after trials that were nothing more than frame-ups, Dictator Stalin denied that these had in any way weakened his regime. On the contrary, he claimed that the purges had strengthened it, because all those killed were "spies, traitors and wreckers."

Describing the commencement of Stalin's speech, the Soviet *Tass* agency reported that the delegates "rose to greet the great continuator of the cause of Lenin . . . This manifestation of love and devotion to the leader of the working people continued with increasing vigor." The Uzbeks sent a letter to *Pravda*, addressed to Stalin, "expressing profound gratitude to Stalin for the happy life . . . You gave bread and shelter to the hungry, you protected the castaways and enlightened us, ignorant." *Pravda* itself wrote that "the eyes of all the working people have turned to beloved Stalin." Molotov, in his speech, said the Communist Party "is led by the great organizer of the glorious victories of Communism, the great inspiring genius of communist education of the masses—by our Stalin (All rise, applause and cheers. Voice: 'Long Live Comrade Stalin!')."

The *Tass* agency reported further as follows (Mar. 12): "The debate on the reports opened. The delegates fully approve the reports. All speakers note the tremendous importance of Stalin's report and approve the theses advanced by him. Fully approving the policy of the Central Committee of the Bolshevik Party headed by Stalin . . . The speakers stressed that all the successes of the Soviet Union were attained thanks to the wise leadership of Stalin. This name, pronounced with great love, aroused every time stormy applause and ardent cheers of the audience."

All the speakers at the Congress said nothing had been done, could be done, or would be done without Stalin's genius. Stalin's press praised Stalin. The workers attended mass meetings and praised Stalin. And if anyone held a dissenting opinion, he kept it to himself.

Policies of Comintern

Reporting for the Soviet section of the Communist International, D. Manuilsky claimed that the membership of the Comintern abroad had risen from 860,000 five years ago to 1,200,000 today, exclusive of the Communist youth organizations which had grown from 110,000 to 746,000 members.

Manuilsky went on to say that Communists must denounce the use made by the fascists of the principle of self-determination and fight for the independence of Austria, Sudetenland, Formosa, Korea and Abyssinia, likewise for the liberation of Spain and China from fascist aggression. He avoided any reference to the colonies held down by Britain, France, Holland and other "non-aggressor" powers.

S.M.C. Raises Municipal Rate to Meet Deficit

Raising of the Municipal Rate from 16 to 18 per cent as from October 1, 1939 has been recommended to the S.M.C. by the Finance Committee in order to meet a deficit in the ordinary budget of approximately $3,000,000.

The Finance Committee stated that there would be an extra expenditure this year of some $5,700,000 as compared with 1938, due almost entirely to the fall in the value of the Chinese dollar, and it was this extra expenditure which required the raising of the municipal rate in order to meet, in part, the anticipated deficit.

The action of the Shanghai Municipal Council, in increasing tax rates was criticized by the Japanese daily Shanghai *Mainichi* as a measure which will "retard reconstruction work in Hongkew."

The taxes are going to be raised, the paper said, in order to increase the salaries of S.M.C. officials at the expense of, among others, the Japanese who are working strenuously to carry on reconstruction projects in Hongkew. This will cause disputes and adverse criticism among the Japanese, the paper stated.

The Chinese Ratepayers' Association, long a silent body, has protested to the Council against the increased rates.

No More Firecrackers

The S.M.C. has endorsed a recommendation of the Watch Committee that the keeping, storing, selling or manufacturing of firecrackers be prohibited as from May 1, 1939 until further notice. A Council statement said that when it is considered that conditions warrant the lifting of the prohibition, steps will be taken to license the firecracker trade.

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300 New Plants Opened In Shanghai Last Month

Some 300 new factories and workshops were opened or reopened in Shanghai during the month of February, the Industrial Section of the S.M.C. reports. Of these, 30 were in the Eastern district, and 140 in the Western Extra Settlement area. The most significant of these plants are a knitting factory with 450 workers, a spindle-making factory with 200, a glass factory with 200, a hosiery plant with 170, a silk weaving plant with 120 and a thread factory with 130 workers.

Application for approval of site of 15 plants has been received in the Public Works Department, the largest proposed plant being for a tobacco factory in the Western district.

The cost of living index of Shanghai workers rose to 161.02 in February (with the year 1926 as 100), the increase being 1.07 per cent as compared with January, 1939 and 47.04 per cent as compared with July, 1937, the pre-hostilities month. The increase was largely attributed to the heavy buying demand caused by the Chinese Lunar New Year holidays.

Dr. Brown Given Big Task With Hospitals

Dr. R. E. Brown for 21 years superintendent of the General Hospital of the Methodist Episcopal Mission at Wuhu in Anhwei Province, has been appointed director to correlate and co-ordinate all the mission hospitals throughout China with the Chinese Army Medical Corps, the National Health Administration and the Chinese Cross Red Society in medical relief.

The appointment was made jointly by the Council on Medical Missions, the organization which was chiefly responsible for the formation of the Chinese Medical Association in Shanghai, and the National Christian Council, an advisory organ for the Christian Churches throughout China, (both organizations maintaining headquarters in Shanghai) in consultation with the American Advisory Comimttee for China Relief in New York.

Going On Tour

Dr. Brown has recently established his headquarters in Chungking, wartime capital of China, but the major portion of his time will be spent in visiting mission hospitals, supervising their work and bringing them into closer contact and co-operation with the government institutions in medical relief.

The veteran American medico, in discharging this task, will be in contact with more than 100 hospitals of various foreign missions with upwards of 5,000 beds scattered in different cities in the rear of China's all-front resistance against Japan.

Jewish Doctors Serve

The services of a number of Jewish doctors—refugees from anti-Jewish activities in Austria and Germany, have been secured for medical relief work in China. Eight of them, after a period of trial in Shanghai, have been placed in various mission hospitals and medical relief centers run by the Chinese Army Medical Corps, the National Health Administration and the Chinese Red Cross Society.

Japanese Plan Extensive Stage Propaganda

The Japanese Foomin theatrical organization, which has opened a new theater on land belonging to the former Canton Theater on North Szechuen Road, Hongkew, invited all Chinese in the Hongkew section to a gala performance scheduled on March 11. No admission was charged for either matinee or night performance. The opening show included numbers by Japanese actors, geisha girls and a chorus composed of Japanese waitresses employed in Hongkew cafes and cabarets. The Foomin Production Corporation, a Japanese moving picture organization with official backing plans to produce pictures designed to promote and glorigy the unity of Japan, China and Manchukuo. It is hoped to open theaters for the showing of the films and other Japanese-directed entertainments in 10 leading cities, including Nanking, Soochow, Hangchow, Wusih and Changshu.

Palestine Arab Lads Sentenced to Flogging

Two Arab lads, tried by the Jerusalem military court, were ordered flogged on Mar. 12, after having been found guilty of carrying arms, *Transocean* reported, adding that these were the first such sentences imposed under the recently-adopted regulations authorizing corporal punishment. One of the boys was 12 years old, the other 14. The latter, in addition to the flogging, was sentenced to five years in prison.

German Troops Invade Moravia as Czech State Breaks Into Pieces

THE END OF CZECHOSLOVAKIA

German troops marched into Prague on Wednesday of this week to complete the liquidation of the Czecho-Slovak state created by the Treaty of Versailles. All Bohemia and Moravia are now under German military occupation. No resistance was forthcoming and reports from Berlin indicate that the Czech territories are to be incorporated into the Reich under some scheme of local autonomy. The Czech army has already been disarmed and is to be disbanded. Fierce fighting is going on in the Carpathic-Ukraine, the newly-created independent state there having apparently determined to resist absorption by Hungary, whose troops marched in while Hitler was invading Bohemia and Moravia. Memel, according to late reports, will soon be absorbed by Germany.

MOVING to complete the work begun last September when the Sudetenland was detached from Czechoslovakia, Adolph Hitler marched German troops into Moravia on Tuesday of this week as separatist movements in all other parts of Czech territory hastened the disintegration of the central European state set up by the World War map-makers.

Europe's latest crisis was set in train Mar. 9 when Dr. Emil Hacha, Czech president, deposed the Premier of autonomous Slovakia, Dr. Josef Tiso, and installed M. Karol Sidor in his place. Going even further, he placed Tiso and several of his ministers under arrest, but did not detain them long.

The arrest of Dr. Tiso precipitated an upsurge of the Slovak autonomy movement and the central government at Prague moved troops into Slovak territory to quell the unrest. Dr. Tiso, upon his release from prison, visited Chancellor Hitler in Berlin and secured promises of support for the Slovak autonomy movement. The dethroned premier thereupon returned to the Slovak capital at Bratislava, summoned the Diet into session, while the new Czech-appointed premier faded once more into the background.

Meeting Tuesday of this week, the Slovak Diet proclaimed the independence of Slovakia. The neighboring territory of Ruthenia (Carpatho-Ukraine) quickly followed suit and Dr. Hacha, faced with the dismemberment of what remained of Czechoslovakia after the Munich agreements of last September, rushed to Berlin to see Chancellor Hitler, together with his foreign minister, Dr. Cvalkovsky.

In Berlin, in the presence of Hitler, Goering and Von Ribbentrop, *Transocean* reported, Dr. Cvalkovsky, speaking for himself and Dr. Hacha, offered to turn over Bohemia for incorporation in the Reich, thus finally liquidating the Czechoslovak federal state. The Prague government was also reported to have resigned. Berlin, according to the German agency, is not likely to agree to incorporation of the Czech territory into the Reich, but will seek to mold Czech foreign, military and economic policies so as to effect their co-ordination with those of the Reich.

Meanwhile, as Hitler's troops proceeded to occupy important industrial towns in Moravia, an announcement from Budapest reported that Hungary, now a virtual puppet state of Germany ,intended to annexe the Carpathic-Ukraine, thus acquiring a common frontier with Poland, which both states have desired for a long time. Oppression of Hungarians in that territory was being advanced as pretext for the land grab.

Hungary sent a 12-hour ultimatum to Prague, demanding withdrawal of Czech troops from the Carpathic-Ukraine, and indications were that Prague was complying with this demand. Riotous happenings were reported from all over the country, with the various national minorities all ranged against the Czechs, against whom they were emboldened by the German support being given to their demands for independence.

London and Paris made it clear that they did not intend to intervene to save what was left of their principal Versailles creation. In London it was pointed out that the informal guarantee of the Czech frontiers given by France and Britain at Munich last September, applied only in case Czechoslovakia was subjected to invasion from the outside, and not where frontiers might be altered by movements within Czechoslovak territory. Thus Hitler was assured of a free hand to dispose of the Czechoslovak territories in whatever manner he desired.

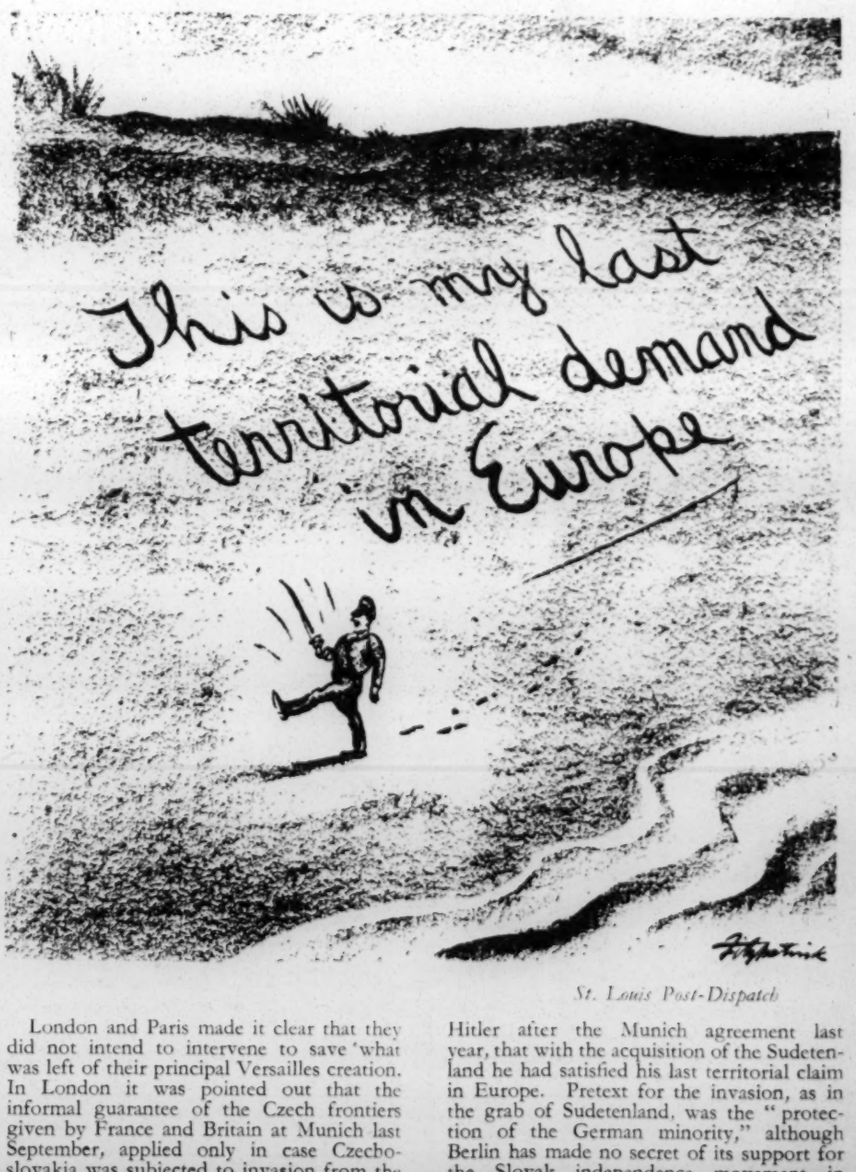
From a multitude of reports flowing in from all the capitals of Europe and from various points within the scene of action, it was not possible at press time to discern the ultimate disposition of the territories thrown into the political melting pot by the happenings of the past week.

Hitler's Ukraine Plans

The Carpathic-Ukraine is the territory of major interest from the strategic point of view, because of Hitler's known plans to use it as a base for the creation of a Greater Ukrainian State to include the Soviet Ukraine—plans scoffed at by Dictator Joseph Stalin in his speech to the Communist Party congress in Moscow, reported elsewhere in this issue. Annexation of the territory by Hungary will, in effect, mean German domination of the territory. It will be recalled that the Soviet government recently broke off diplomatic relations with Hungary on the ground that the Hungarian government had become a puppet of Berlin.

Some European observers recalled, in connection with the German invasion of Moravia this week, the statement made by Hitler after the Munich agreement last year, that with the acquisition of the Sudetenland he had satisfied his last territorial claim in Europe. Pretext for the invasion, as in the grab of Sudetenland, was the "protection of the German minority," although Berlin has made no secret of its support for the Slovak independence movement in which there is not involved any question of the rights of a German minority.

But This Was Six Months Ago!



St. Louis Post-Dispatch

Is Anthony Eden a Champion of Democracy?

BY R. H. S. CROSSMAN

Editor's Note—How much of a democrat is Mr. Anthony Eden, former Secretary of State for Foreign Affairs in the Cabinet of Prime Minister Neville Chamberlain and regarded in many quarters as Britain's future Prime Minister? Is he a more ardent champion of democracy as against totalitarianism than the present Prime Minister? Can he inspire a democratic revival either in England or abroad? These questions are raised and answered in the following article which appeared in a recent issue of the London journal, "New Statesman and Nation," in the form of a review of the book "Anthony Eden" by Alan Campbell Johnson (London: Hale. 1938). We reprint it because of the widespread interest in Mr. Eden as a political personality.

MR. Eden has been fêted in America as the man whom Hitler cursed and Chamberlain dismissed. But I wonder what the Americans really made of this discreet aristocrat, with his delight in Rimbaud and Proust, his closed circle of genteel friends and his high-sounding but singularly vague orations on the sanctity of international law.

An English Roosevelt? I hardly think so. Though Americans enjoyed the chance of expressing their hatred of Hitler and contempt for Mr. Chamberlain, they can have found little response in Mr. Eden to their crudely Republican love of freedom. Earl Baldwin's protégé is too self-consciously remote from party politics, too Olympian in his assumption that England never was and never will be a democracy.

"Never Had Democracy"

"We have not got democratic government today. We never had it, and I venture to suggest to Honorable Members opposite that we shall never have it. What we have done in all the progress of reform and evolution of politics is to broaden the basis of oligarchy."

Spoken in 1928, these words of Eden's breathe a Whig hauteur which make Earl Baldwin by comparison scarcely a gentleman. Their author dislikes appeasement, but the dislike is inspired, not by democratic indignation, but by an old-fashioned diplomat's contempt for botched negotiations and for truckling to gangsters. For the Cranbornes and Edens of this world, Mr. Chamberlain is a vulgar parvenu with no feelings for the Foreign Office tradition and no respect for international etiquette.

Mr. Campbell Johnson's book helps to explain this paradox. It would have been a great deal more useful if it had contained less of Mr. Johnson and more of Mr. Eden. But in spite of this defect, *Anthony Eden* contains many of the relevent facts and some useful quotations, though far too few, from Mr. Eden's speeches. The material is sufficient at least for a discussion of the Myth of Eden.

Scorned the League

Anthony Eden became a popular hero when the requirements of Conservative policy seemed to coincide with the practice of Collective Security. Between 1926 and 1934 he was an opponent of the Geneva Protocol, the Optional Clause, and of League action in Manchuria; and as late as 1935 he showed no sort of enthusiasm for the Peace Ballot. He poured scorn on the League when it could have been used for disarmament and revision and the strengthening of German democracy; and was only converted to its use when the Foreign Office needed an instrument for curbing the ambitions of the Nazis. Even then he was a party to the fantastic notion of combining sanctions and conciliation, of building a Stresa Front and defending Ethiopia simultaneously.

The Myth of Eden won the election of 1935 and survived the Hoare-Laval Pact. But there is nothing to prove that a difference of *principle* existed between him and either Sir Samuel Hoare or Mr. Chamberlain over the Ethiopian and Spanish crises. He agreed with them that Britain must always retain complete freedom with regard to participation in League action against an aggressor and "refrain from dividing Europe into ideological camps." Like them, he was concerned not to strengthen the democratic forces in Spain, but "to maintain law and order" and to isolate the war even when this meant the victory of Fascism. He only resigned when Mr. Chamberlain decided to jettison his Foreign Office advisors and experiment with appeasement. Even then, the difference was about means and not about ends.

For this circumstances were largely to blame. Certainly Mr. Eden himself was not an accomplice in the making of the Eden Myth. He conceived of the League Council as a permanent council of Ambassadors, and frankly based his policy upon the *entente cordiale*. Himself a party to the indefinite postponement of oil sanctions, he objected to the manner, not to the matter, of the Hoare-Laval Pact and of the Anglo-Italian understanding. But alas! like Sir Robert Vansittart, he has been rejected by the interests which he served and worshipped by a public which he disdains. And he remains a Conservative not through cowardice or personal loyalties but because he is passionately convinced that the methods and objectives of pre-War diplomacy are still valid in 1938.

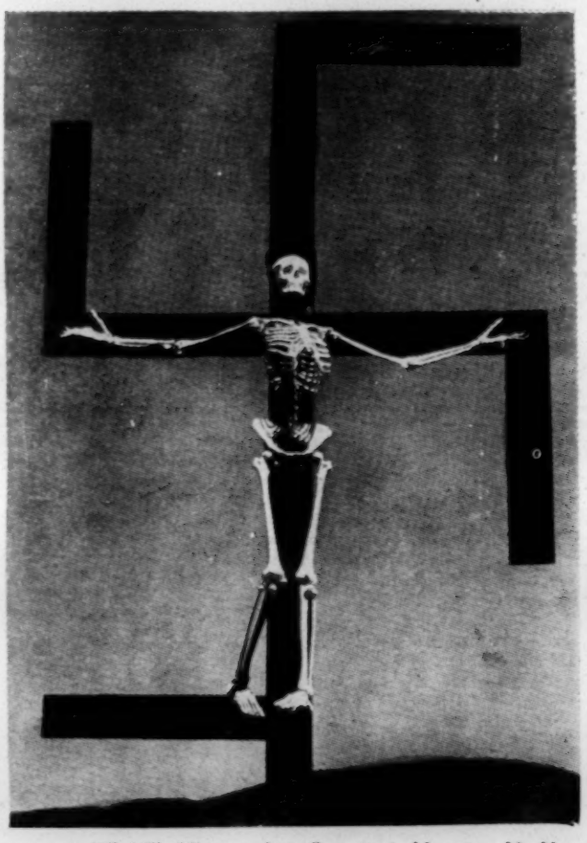
Like the German Junkers, Anthony Eden fears Fascism not because it destroys the labor movement, but because it challenges the traditional authority of the old ruling class and undermines the old diplomatic order. Mr. Chamberlain comes to terms with the dictators because he fears revolution; Eden refuses to, except on his own terms, because he has no idea what social revolution means. Exclusively a diplomatist, he has not Mr. Chamberlain's business appreciation of the class war.

Has No Red Phobia

That is why Mussolini and Hitler cannot abide him. He is so Olympian in his aloofness from the problems of industrial life that he is quite unmoved by talk of the Communist menace. For him Bolshevik, like Tsarist, Russia is simply a factor in the international game, and Hitler another variant of Wilhelm II. Possibly he may lead the Tory Party back to its traditional diplomacy—ignorance is often in politics a sublime virtue, since it strengthens faith—but, unless he suffers a conversion, he can never inspire a democratic revival either abroad or at home. Not for him even the rôle of Kerensky.

This does not mean that he could not be useful to democracy. A reactionary, whose immediate policy agrees with that of the Left, can always be of service to it, especially when his skill is great and his sincerity unquestioned. Mr. Eden could be a capable Foreign Minister under a great democratic leader. But the Eden Myth, which neglects his real qualities and eulogizes virtues which he never possessed, is a dangerous illusion. Mr. Campbell Johnson's book contains facts which should be pondered by readers of the *News Chronicle* and by all who see the necessity of a National Opposition but are ready to place it under die-hard control.

The True Face of Dictatorship



"TAC" (Theater Arts Committee) Magazine, N. Y.

R.A.S. Journal, 1938

The Journal of the North China Branch of the Royal Asiatic Society for 1938, published by Kelly & Walsh, has lately come off the press. Edited by Bernard E. Read, it includes, in addition to the proceedings of the annual general meeting, a paper by Arthur de Carle Sowerby on "Pottery Tomb Figures of Ancient China," and another on "The Language Students of the East India Company's Cotton Factory," by Susan R. Stifler. There are three other interesting papers, as well as a number of book reviews.

Philippine Governors Hear China's Consul-General

Officials of the city of Manila and the governors of fifty-one provinces of the Philippines attended a dinner and reception and listened to an address by Dr. C. Kuangson Young, recently appointed Chinese Consul-General at Manila. Dr. Young was previously head of the Intelligence and Publicity Department of the Ministry of Foreign Affairs of the National Government at Nanking and later was managing director of *The China Press* at Shanghai. Prior to his appointment at Manila, he represented the National Government in Europe. In his address at Manila, Dr. Young pointed out that more than 100,000 Chinese had settled in the Philippines and had contributed materially toward the economic well-being of the people of the Commonwealth. He is shown sitting in the center. On his right is Rafael Alunan, Secretary of the Interior and on his left is Governor Sotero Baluyot, dean of the Governors. Next to Mr. Alunan is Dee C. Chuan, a well known Chinese resident and business-man. On the reader's extreme left is Alfonso Sycip, chairman of the Chamber of Commerce and on the extreme right is Rufino Luna, Under-Secretary of the Interior.

P. I. Said Supplying Japan With Metals

The Chinese Consul-General, Dr. Clarence Kuangson Young, has called to the attention of American officials in Manila the extent to which the Philippine Islands are supplying Japan with the materials of war, according to *United Press*.

Calling on the U. S. High Commissioner, Mr. Paul V. McNutt, the Consul-General pointed out that approximately 90 per cent. of the Islands' total production of base metals in 1938 was exported to Japan. The items mentioned specifically by Dr. Young included $2,000,000 worth of iron ore, $600,000 worth of copper and $500,000 worth of manganese.

Presumably the Japanese used these materials in part to bombard Chinese civilians, the High Commissioner was told by the Consul-General, who expressed the hope that the Islands would discontinue shipments of war materials to his country's enemy.

Davao Closure Opposed

Japan will "resolutely oppose" the closing of Davao Harbor by the Philippines Government, a spokesman for the Japanese Consulate-General in Manila said Mar. 6. in commenting on the advocacy of such a step by the Philippine press (see *Review* for Mar. 11). Describing the proposed action as "illegal," the spokesman said that the closure of the harbor would not only be a blow to Japanese, but also hit the economic development of Mindanao Island, thereby adversely affecting Filipino merchants and farmers as well.

Rayon Plant Planned

The Government-owned National Development Co. in Manila has announced that it is studying plans for the construction of a $2,000,000 rayon factory in Manila capable of producing 3½ tons of rayon daily, 300 days a year.

The output contemplated by the company would amount to one-third of the total rayon imports of the Philippines, 70 per cent. of which comes from Japan.

China Builds Her First Gasoline Plant

(By the Review Correspondent in Chungking)

The faces of Chinese chemists and engineers who have been toiling incessantly for the past few months in an improvised building somewhere near Chungking, China's wartime capital above the Yangtsze Gorges, are now radiant. For they are fast approaching their red-letter day, the day when they will complete setting up the first gasoline plant in China.

The importance of this factory, first one of a series planned, can be readily appreciated when it is remembered that China has practically no oil industry to speak of, and that since the blockade of her coast by Japanese warships, she has been experiencing more and more difficulties every day in securing the necessary imports from abroad in order to keep her industrial machines going.

"In just a few more weeks, we will be able to produce," these experts cheerfully confide to those worthy of their confidence. How much per day? To begin with, one thousand gallons a day. That will make 30,000 gallons a month or 360,000 gallons a year. They admit that the quantity is barely sufficient for consumption in Chungking alone, but they have a plan to double the output a few months after their first gallon hits the market.

China's yield of petroleum is commercially negligible but in Szechwan, economic storehouse for her prolonged resistance against Japan, there is plenty of vegetable oil to be had. Principally they are tung (wood) oil, and oil extracted from peanuts and vegetable seeds. These are the staple raw materials to be used in China's premier gasoline plant. In Chungking imported gasoline is sold at $4.50, Chinese currency, per gallon. The native product may be able to undersell the foreign brand by a slight fraction.

The most remarkable fact about this new factory, more of which will be established as soon as the necessary equipment and supplies are received, is that all its machines were designed by Chinese engineers and built in Chinese steel works. The steel plates and parts bought in Hankow last year at a cost of $180,000, Chinese currency, are today worth at least five times as much.

In various parts of China's southwest, a number of refineries have been turning out large quantities of alcohol for industrial purposes. Either used with ether or with gasoline mixture, alcohol has been generally used for non-military transportation. Somewhere in Szechwan, a huge alcohol distilling plant, using sugar molasses, is producing alcohol 96 per cent pure. With further research it is expected to raise its degree of purity to 98 per cent. Similarly, research has been completed for turning vegetable oil into crude oil for Deisel engines.

Thus, the forthcoming operation of the gasoline plant and of its satellites later on will bring China another step nearer the solution of her wartime liquid fuel problem.

The Passing of a Noted Chinese Journalist

The recently formed Missouri Society of China, through its executive council, adopted the following resolution referring to the life and activities of the late Hin Wong, noted Chinese newspaperman who died in Hongkong on Feb. 15. "The Missouri Society of China, through its officers and Council desire to extend to you and your family their sympathy in your recent bereavement and their regret that by the death of Hin Wong a useful life has terminated. Mr. Wong was one of the first Chinese to study at the School of Journalism of the University of Missouri and carried on the work and ideals of that School after he came to China. He will be remembered as one of the ablest graduates of that School and as a man who was a credit to our State."

The Late Mr. Hin Wong

Hin Wong was born in Honolulu in 1888 of Cantonese parentage and after graduation from Oahu College, Hawaii, he entered the School of Journalism at the University of Missouri where he received a degree in 1912. He also studied at Columbia University, New York. After returning to China he was active in newspaper work at Canton, both in Chinese journalism and as correspondent for the large foreign press agencies. He also became well known as a teacher of journalism in Chinese colleges and universities and on several occasions represented China at international conferences of journalists. In later years he was active in organizational work among Chinese youths and for a time headed the boys work of the Chinese Y. M. C. A.

Mr. Wong was married in 1913 to Miss Chan Hong Ming of Canton. He is survived by Mrs. Wong and seven children. Up to a few weeks prior to his death he was engaged in active journalistic work at Hankow, and later at Chungking, in connection with the *Central News Agency*. His son Williams Wong, has since taken over this work.

Raw Cotton Self-Sufficiency Vital to Japan

BY KOSHI SAMPIN

(In the "Mengyo Jiho," organ of the Nippon Cotton Industry Club, February, 1939).

ACQUISITION of material resources and promotion of export trade are now gaining in importance in Japan for the simple reason that with the current Sino-Japanese affair entering a new stage of long-term construction, we must needs make every possible preparation against the forthcoming economic war, as well as to carry out the military operations in China.

Particularly is it of vital importance to secure the smooth supply of raw cotton as further expansion of our cotton trade is essential for improving the balance of international accounts and thereby acquiring as much import funds as possible for munitions and capital goods. Little wonder that an ambitious plan has been mapped out for self-sufficiency in this key fiber in the Japan-Manchukuo-China economic bloc.

Cotton cultivation was encouraged with much vigor and eagerness on two occasions in the past when the problems of specie outflow and self-supply in wartime assumed serious proportions in Japan: the first in the early years of the Meiji era (some time from 1877 to 1887), and the second during and after the Russo-Japanese War of 1904-05. This time Japan is forced to resume this cotton self-supply policy for coping with the world-wide tendency toward bloc economy. But our aim in this respect will not be attained in the near future.

Although Japan was of course self-supplying and self-sufficing as to cotton in the Tokugawa era, she was flooded with foreign cotton goods upon the opening of her ports to the world, particularly in the period of 1868-77. Most of what little gold she had in those days flowed out of her territory. Hence, the authorities concerned encouraged the domestic growing of cotton plants by transplanting foreign breeds such as sea-island and upland cotton. But it was found before long that Japanese soil was not suitable for these foreign cotton plants. On the other hand, the local spinning industry developed by leaps and bounds. Thus, the first attempt at cotton self-supply was brought to naught.

Efforts in Korea

Korea as a cotton-producing area attracted much attention of the Japanese Government and private circles, after some cotton was shipped to Japan for the first time in 1901. Even prior to the Russo-Japanese War efforts were lavished to promote cotton cultivation there, and this policy was bolstered after the annexation of the peninsula to this country in 1910. The cotton output there has been on the gradual increase, although it was kept in abeyance for some time for the reason that rice was a more profitable crop for Korean farmers than cotton. But the Korean supply is still nothing but a drop in the ocean as contrasted to the nation's huge consumption of cotton. The following table shows the cotton acreage and output in the peninsula (the acreage in *cho* or 2.451 acres, and the output in 1,000 *kin*, or 600 kg.):

	Cotton Acreage			Cotton Output		
	Upland	*Native*	*Total*	*Upland*	*Native*	*Total*
1910	—	—	1,355	—	—	—
1916	54,179	36,940	91,119	10,443	4,059	14,502
1926	150,726	65,183	215,909	29,421	10,954	49,781
1935	147,643	61,924	209,567	50,984	13,140	24,124
1936	175,059	48,111	223,170	60,126	11,960	22,086

(Seed cotton output since 1935 is converted into ginned cotton on the basis of 30 per cent.)

Mere reference to the fact that Japan's cotton imports totalled 1,340,000,000 *kin* valued at Yen 700,000,000 a year on the average during 1933-37 shows the absolute necessity of further promoting cotton cultivation in Japan and her sphere of influence. In 1934 the Japanese-Manchukuo Cotton Society was organized with a view to encouraging cotton-growing in the two countries. Since the outbreak of the current hostilities, it has become urgently necessary to promote it on Japanese initiative in China as well. Thus, the aforementioned society changed its name to the Nippon Cotton Cultivation Association and widened the scope of its business.

In Korea some Yen 17,650 was appropriated in 1938 for the promotion of cotton-growing there. Lectures and exhibitions were held to improve growing technique and to encourage intensive cultivation. The Government-General of Formosa has been enforcing its cotton policy since 1937. A Yen 2,470 subsidy has been granted to southern provinces of the island where soil is found to be highly suitable for cotton. The Nippon Cotton Cultivation Association extended a subsidy of Yen 1,854 to Palau, Yap and Ponape islands in the South Seas.

More Than He Can Swallow

The Chicago Tribune

In Manchukuo the climatic conditions are favorable for cotton-growing even north of 35 degrees North Latitude, except that it rains rather frequently there. It is planned to increase the cotton acreage in Korea, Formosa, Kwantung and Manchukuo by 632,200 during the next ten years, the output of seed cotton by 792,500,000 *kin*, and the output of ginned cotton by 247,580,000 *kin*. The plan for Korea runs from 1937 to 1943 (six years), for Formosa 1937-47 (ten years), for Kwantung 1933-40 (eight years), and for Manchukuo 1937-42 (five years).

In North China a definite plan was adopted on January 18 this year with the ultimate objective of increasing the cotton output there of 4,620,000 piculs a year to 10,000,000 piculs in the following nine years (of which some 5,000,000 piculs is to be shipped to Japan). As for Central China, the Nippon Cotton Cultivation Association has drafted a plan to boost the cotton output in the five provinces there

also to 10,000,000 piculs in the eight years to come. For these plans the Government-General of Korea will extend technical assistance by dispatching experts and offering good cotton seeds.

Turning to the consumption of cotton, the annual consumption in this country totalled 13,011,000 piculs a year on the average from 1933 to 1937 (1938 is excluded from this calculation for the reason that the supply was abnormally large in that year), of which Chinese cotton accounted for only 2 per cent. Details follow (in terms of 1,000 piculs):

	Consumption	Chinese Cotton	Ratio, %
1933	12,489	569	4.5
1934	13,554	370	2.7
1935	12,520	33	2.4
1936	12,670	159	1.2
1937	13,825	250	1.7
Average	13,011	276	2.0

The cotton consumption in Manchukuo inclusive of the Kwantung Leased Territory), North China and Central China is recapitulated as follows (in 1,000 piculs):

	Manchukuo	North China	Central China	Total
1933	526	3,077	5,765	9,368
1934	701	4,588	5,359	10,648
1935	385	2,551	3,893	6,829
1936	675	4,335	6,790	11,800
1937	960	—	3,985	—
Average	649	3,637*	5,158	9,661*

(The consumption in this table means production plus or minus the balance of outgoing and incoming shipments. The asterisked figures show the average during 1933-36.)

Output Insufficient

Thus, it can be seen that the aggregate consumption in the Japan-Manchukuo-China bloc totalled 22,672,000 piculs a year on the average. In the meantime, the output in this region was approximately 9,768,000 piculs. To go into details, Japan had to import 12,500,000 piculs, even provided that she bought up the whole output in Korea; while Manchukuo had to buy from abroad 300,000 piculs, or 50 per cent of her needs. But China was found to be self-sufficient as a whole with exports exceeding imports by 400,000 piculs on the average in North China and the latter exceeding the former by about 300,000 piculs in Central China.

If the above mentioned cotton plans in these countries are carried out successfully, the annual production would be boosted to something like 27,475,000 piculs ten years hence, or 5,000,000 piculs more than the annual consumption of 22,672,000 piculs a year on the average during 1933-37. This notwithstanding, Japan would have to import half of her needs for cotton, because the spinning industry is sure to make further progress on the Continent. What is more discouraging is that cotton available in this part of the world is so poor in quality that it is unsuitable in many cases for making export goods. Hence comes the urgent need of improving the quality on the Continent.

The following table shows the estimated cotton output ten years hence in the Far Eastern countries (in 1,000 piculs):

	Output	Shipments to Japan	Consumption on the spot
Korea	1,312	1,312	—
Formosa	350	350	—
Kwantung	53	—	53
Manchukuo	760	—	760
North China	10,000	5,000	5,000
Central China	10,000	—	10,000
Kiangsu and Chekiang	5,000	—	5,000
Total	27,475	6,662	20,813

"Show-Down On the Open Door"

Sweigert in San Francisco Chronicle

Japan to Uphold Fishery Claims

"Should the Soviet Government maintain its stubborn attitude and enforce a one-sided auction of fishing lots, it is plain that Moscow should be fully responsible for the outcome of such an unfair auction, and the Japanese Government is fully resolved to take definite measures in case of necessity in order to provide full protection to Japan's fishing rights," Foreign Minister Hachiro Arita told the House of Peers March 13.

"Our government has remained calm all through negotiations with Moscow and is still maintaining the same attitude even at this moment when the auction of fishing lots is scheduled to take place next Wednesday," Mr. Arita stated in reply to interpellations by Viscount Kyoshiro Inouye, of the Kenkyukai Party. He said the government was making a last effort to lead the problem to an amicable settlement.

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High Officials Dismissed By Mongolian Government

Scores of high officials of the Outer Mongolian Government were dismissed from office on charges of alleged counter-revolutionary activities, following the twenty-second national convention of the Outer Mongolian Republic held on March 7, and will shortly face a public trial, according to a *Domei* message from Kalgan.

Price Said Placed on Heads of Japanese in Burma

Prices ranging from Yen 1,000 to Yen 5,000 were set on the heads of Japanese residents, the Consul and officials of the Japanese Consulate in Burma by a Chinese anti-Japanese society, Mr. Toyoji Kaneko, Japanese Consul in Rangoon, told newspapermen upon his return to Tokyo Mar. 13 after staying in Rangoon three years, *Domei* reported.

Mr. Kaneko said Burmese police authorities took pains to protect officials of the Japanese Consulate. Japanese residents of Burma number only 500, but there are about 200,000 Chinese there, he said.

Burmese were opposed to the transportation of arms to China through Burma because they desired to maintain neutrality in the hostilities, he declared.

Mr. Kaneko stated that bonded warehouses in Rangoon were full of arms and ammunition consigned to China, including 5,000 tons of war materials landed from a British freighter on Nov. 6 last year and other supplies landed from many vessels of various nationalities.

In an interview at Moji three days previously, Mr. Kaneko said a strong attitude prevails in Burma for maintaining neutrality in the China hostilities, while the Chinese boycott of Japanese merchandise is not countenanced by the Burmese, who are indifferent to Chinese agitation.

Nationalism is behind the recent disturbances in Rangoon, which has also apparently been affected by the China conflict, he said.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 25

Japanese advance westward from Hankow checked; conditions in Ichang improving, but population living under constant fear of air raids.

Report by a foreign news agency that Chungking officials were expecting an international conference to settle Sino-Japanese conflict, denied by Gen. Chen Cheng, Director of Political Department of Generalissimo's Headquarters.

Fifty-five foreigners still remain at Kuling, Kiangsi mountain resort, according to report in **The China Press**; now concentrated in two camps and the Japanese have been informed of their locations.

Shanghai Municipal Police barricaded alley ways leading to main streets in attempt to prevent terrorist activities in International Settlement. Reply of Shanghai Municipal Council to Japanese note of Feb. 22 in regard to terrorist activities delivered to Japanese Consular authorities; contents unrevealed. Tokyo **Asahi Shimbun** declared International Settlement of Shanghai destined to disappear, regardless of outcome of present hostilities. T. O. Pearce, Chairman of Hongkong & Shanghai Banking Corporation, in address at annual meeting of shareholders in London, urged Powers to support Shanghai Municipal Council.

British Government accepted Japan's apology for bombing British territory near Shumchun in Kwangtung; compensation to be paid for damages suffered.

Under leadership of Madame Chiang Kai-shek, Chinese women in Chungking, including wives of government officials and women employees of Government organs, are being mobilized for war services.

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February 26

Following evacuation of 47 foreigners from Kuling on Feb. 22, Japanese forces on following day attacked the mountain resort, according to report received at Chungking. Attack said repulsed by defenders.

Pushing westwards, Japanese troops at Tienmen, on Han River, occupied Yokou on Feb. 24; fighting also near Sanyangtieng, on Hangkow-Ichang highway.

Army replacement conference held in Chungking under chairmanship of War Minister Ho Ying-chin, closed on Feb. 24.

Puppet Nanking "Reformed Government" declared "silent war" against Shanghai International Settlement and also against British and French shipping charging them with aiding the National Government. Nanking will send troops and militiamen to Shanghai to combat terrorist activities.

British and French Concessions in Tientsin encircled by the Japanese with "live wire" barricades.

Japanese military in Canton order all residents to surrender all metallic articles.

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February 27

Thirty-four foreign residents who evacuated Kuling arrived at Shanghai. According to one of the evacuees—a British subject—, Kuling will not be defended against a major Japanese attack. Quoting the commander of Chinese forces on the mountain resort, he said that resistance at this stage, when the mountain was completely surrounded, would result in senseless slaughter. Chinese troops atop Kuling, totalling about 5,000, believed likely to evacuate the mountain by slipping through Japanese lines on a misty day or a dark night. Behaviour of Chinese troops praised; not a single foreign house entered into or property damaged. Kuling was daily subjected to air bombing and artillery shelling by the Japanese, according to the evacuees.

Fresh battles along the Yangtsze believed near, according to Tokyo reports which stated that 30 divisions of Chinese troops were stationed on upper reaches of the river in northern Hupeh under command of Gen. Li Tsung-jen and about 60 divisions operating on south bank from Tungting Lake in the east to Poyang Lake in the west.

Japanese "mopping up" operations in central Hopei meeting with resistance, according to report received at Chungking.

Japanese troops in west Hupeh are attempting to cross Siang River for drive on Ichang, but their advance is being held up by Chinese resistance.

Japanese claim their troops are only 20 kilometers east of Shayangchen, important town on upper reaches of Han River, 50 kilometers northeast of Shasi.

Three Chinese heads found impaled on poles on Brenan Road; believed they were heads of "traitors" killed by guerillas.

Some 500 Szechuan educators dispatched message of encouragement to General Chiang Kai-shek.

Japanese losses in aircraft since the start of Sino-Japanese hostilities have totalled 1,034 machines, according to spokesman of Chinese Air Force at Chungking.

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February 28

Y. Miura, Japanese Consul-General, presented three-point counter reply to C. S. Franklin, Chairman of Shanghai Municipal Council, regarding recent Japanese proposals for maintenance of peace and order in International Settlement. The three points unrevealed, but according to Tokyo **Nichi Nichi Shimbun**, they included: 1. acknowledgement of preparedness expressed by the Council to co-operate in preventing terrorism, 2. recognition of this preparedness by Japan as consent of the Council to co-operate with Japan in future, and 3. Japanese police to co-operate with the Council in accordance with this understanding.

Japanese troops garrisoned in Shanghai and in Hangchow had fought 95 engagements with Chinese guerillas in 31 days between Jan. 21 and Feb. 20, declared Japanese military spokesman at Shanghai. All these clashes, the officer said, were fought in vicinity of Shanghai, Kashing, Huchow and Hangchow.

Chinese guerillas in North China launched simultaneous raids on night of Feb. 18 on all railways in the North; 17 sections of various railways torn up and many miles of telegraph and telephone wires torn down.

Customary looting and raping by Japanese troops followed their occupation of Hoihow and Kiungchow, chief port and capital of Hainan Island, according to foreign reports printed in **The China Press**. Puppet regimes set up in occupied areas.

Japan's efforts to win over Mohammedan countries in Near East completely failed, declared Chinese Muslim Goodwill Mission which just returned to Chungking from tour of Near East.

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March 1

Four bomb explosions occurred in front of four leading dancehalls in Shanghai; thought intended as warning to Chinese cabaret goers; wounding of one ricsha coolie was only casualty.

Representatives of Japanese Army, Navy and Consular police called on Major K. M. Bourne, Police Commissioner of Shanghai Muncipal Council; anti-terrorist precautions discussed in three-hour conference.

Heavy fighting reported in Northern Kiangsu; Japanese troops, assisted by tanks and air squadron, pushing in three columns in the direction of Haichow and Hwaiying.

Chinese report success in Shansi; Chung Tai Shan mountain range, in southwestern Shansi, cleared of Japanese troops.

Second National Finance conference opened at Chungking March 1; Finance Minister H. H. Kung presided.

Gen. Wang Yi, Garrison Commander of Hainan Island, ordered by General Chiang Kai-shek to resist the Japanese to the end.

2,400,000 men in China are now receiving war training, according to Quo Tai-chi, Chinese Ambassador in London, in speech on Feb. 28. Quo said that the darkest hour for China had passed and light was dawning in the country. Guerilla warfare in China would be intensified, he added.

National Educational Conference opened at Chungking on March 1, with some 300 of the country's educational leaders attending.

Lt.-Gen. Mo Hsi-te, former garrison commander in Bias Bay area in southern Kwangtung, yesterday sentenced to ten years' imprisonment by Inspectorate-General for Enforcement of Military Law, on charge of dereliction of duty, failure to resist the enemy and delay in execution of military orders.

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March 2

Agreement in principle to plans for more efficient policing of International Settlement said to have been reached between Japanese navy, army and diplomatic authorities and Shanghai Municipal Council. S. M. police and the Japanese to co-operate in combating terrorist activities.

British, American and French Governments protested against the live-wire barricades erected by Japanese military around British and French Concessions in Tientsin.

Japanese Cabinet approved supplementary estimates for Army and Navy, totalling Y5,270,000,000, of which Y4,600,000 will cover "China Incident" expenses from Feb. 1939 to March, 1940. According to **Asahi Shimbun**, the total of "China Incident" appropriations since Aug. 1937 exceed Y11,990,000,000, seven times the cost of Russo-Japanese war.

Nanking "Reformed" Government will not be recognized by the British Government, declared R. A. Butler, British Under Secretary of State for Foreign Affairs in House of Commons.

Japan's record in China called "bestial" by Lord Strabolgi, in speech in British House of Lords on March 1. New puppet regimes denounced for corruption and abuses; Chinese debauched by drugs; Britain should take lead in opposing Japan.

Puppet "Federal Reserve Bank" in Peiping to monopolize foreign exchange transactions on imports and exports in North China from March 10, according to new regulations issued by the Peiping regime for the control of exchange.

Chinese troops in West Hupeh moving eastward to check Japanese advance on Ichang.

Over 10,000 casualties inflicted on Japanese in North China in the months of December and January by 8th Route

Army, according to report received at Chungking. Over 250 engagements fought during the period.

Japanese airdrome in Canton raided by Chinese planes on Feb. 28; many Japanese planes on ground destroyed or damaged.

Hwaiyin, important town on grand Canal in Northern Kiangsu, claimed occupied by Japanese troops.

Chungking authorities order evaculation of civilians from city before March 10 in order avoid unnecessary loss of lives by Japanese airbombings.

Yushan, in eastern Kiangsi, raided by Japanese planes yesterday.

Publication of **Hankow Herald** in Chungking resumed today; journal first English daily in wartime capital; was previously published in Hankow, but removed prior to Japanese occupation.

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March 3

Report that Chinese government offices would shortly be transferred from Chungking to Kunming officially denied.

Twelve Japanese planes claimed to have been destroyed by fire on Feb. 19, when Japanese airdrome at Yingchen in Hupeh, was raided by Chinese guerillas.

Japanese troops west of Hankow, pushing towards Chungtsiang, now engaged by Chinese troops near Sunchiao.

Agreement reached between Shanghai Municipal Council and Japanese authorities regarding suppression of terrorism in International Settlement, confirmed by Japanese authorities. Agreement calls for close co-operation in the matter between the two parties, but Shanghai Municipal Police will remain sole authority to make arrests and enforce law in the Settlement.

Survey flight plane of Imperial Airway arrived at Kunming yesterday from Lashio; given warm reception. Inauguration of direct China-Europe airline soon.

Fu Siao-en, puppet Mayor of Shanghai allegedly becoming unpopular with both Japanese and his subordinates; rumored Fu may be transferred to Nanking.

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March 4

Japanese troops, in west Hupeh, attempt to advance northwards toward Siangyang and Fancheng, "gateway to Shensi" from south. Severe fighting north of Hankow-Ichang Highway.

Japanese tightening "blockade" of Chinese troops on Kuling, after failing to dislodge them from the mountain.

Casualties in Ichang on Feb. 21 by Japanese airbombing estimated at more than 700.

Japanese announced occupation of Haichow, eastern terminus of Lung-Hai, Railway, in northern Kiangsu.

Lt.-Gen. S. Itagaki, Japan's War Minister, yesterday told the Diet that situation in China warranted no change in Japanese military strength but part of Japanese troops to be replaced.

Japanese premier Hiranuma, speaking on so-called "New Order in Asia," declared that China must co-operate with Japan in order to secure her (China's) independence.

Chinese and American Students Contribute to Relief

Checks totaling U. S. $500 representing money raised by students in Brown and Cornell Universities were received in Shanghai this week, accompanied by instructions to expend the money for relief among civilians. One check for U. S. $100 represented one-half the proceeds of the Christmas Charity Ball held by the Student Government Association of Pembroke College, Brown University. The money was turned over to a national student relief organization. Another check for U. S. $400 representing money raised by Chinese students at Cornell University, was turned over to the China Famine Relief Committee for assisting Chinese civilian refugees in districts outside Japanese-occupied zones.

Who's Who in China

Chiang Tsai-hwa (Seward Chiang), professor and educator; born at Chu Chi, Chekiang, October 21, 1904; B.A. in 1927 and M.A. in 1929, Fuh Tan University, with honours; taught English in Fuh Tan Experimental Middle School and Fuh Tan University, 1929-32; promoted to associate-professor in 1931; went to the U.S.A. in September, 1932; attended the Graduate School of Education, University of Michigan, Ann Arbor, Michigan, from 1932-37; attended one summer quarter at the Department of Education, University of Chicago, 1933; conferred M.Sc. degree in 1934; first Oriental to receive that degree in the School of Education, University of

蔣載華字祁伯
Chiang Tsai-hwa

Michigan; addressed Central State College, Mount Pleasant, Michigan and Michigan State College, Lansing, Michigan, 1935; elected member of the Ann Arbor Rotary Club, Michigan, 1936; first Oriental to receive that honour in the State of Michigan; awarded Ph.D. degree in 1937, dissertation topic being "Relation of Reading and Study Habits of College Students to Certain Mental and Educational Achievements;" first research worker to upset most of the accepted theories on "How to Study" held by American educators; attended, as a delegate of Fuh Tan University, the Forty-first Annual Meeting of the American Academy of Political and Social Science, held at Philadelphia, Pa., April 16-17, 1937; visited Teachers' College, Columbia University, February-April, 1937; left the U.S.A. for Europe in April, 1937; attended Universität Berlin, May-August, 1937; visited Université de Paris, University of London, Oxford University, Cambridge University, the League of Nations, the International Labour Office, and a number of museums, experimental schools, and various social and educational centers of interest; returned to Shanghai, October, 1937; professor of Psychology and Education, Fuh Tan University, professor of English, Université Franco-Chinoise, and concurrently register and head of the Departmnet of Educational Psychology, New China University, 1938; author of "Teaching as a Career" 1929; of "English Composition Taught and Self-Taught" 1931; of "Specific Problems of Teaching English in Chinese Schools" 1935; and of "Basic English in China" 1936; and translator of "Wars of Ideas" 1938; Address: 27/1295 Rue Lafayette, Shanghai.

U. S. Navy Will Honor 21 Panay Civilian Heroes

The latest issue of the American Army and Navy *Register*, semi-official Service publication, stated that the U. S. Navy Department had requested authority from Congress for granting decorations to 21 persons, other than navy men, who were aboard the U. S. S. *Panay* when that ship was bombed and sunk by Japanese planes on the Yangtsze in December, 1937.

One army man who was aboard, Capt. F. N. Roberts, Assistant U. S. Military Attache at Nanking, was cited for "coolness, resourcefulness and tact," and was recommended to receive the Navy Cross. The report stated that Capt. Roberts' ability to speak the Chinese language had been of invaluable assistance after the party managed to get shore following the bombing. Owing to the injury to Lt.-Com. Hughes, who suffered a broken leg, Capt. Roberts took actual charge of the party ashore. Others recommended for the award were:

George Atcheson, Jnr., John Hall Paxton and Emile Gassie (all members of the American Embassy staff on board the Panay when she was sunk), Weldon James, of the United Press; Norman T. F. Soong of the New York Times, and former member of The China Press staff, James Marshall, of Colliers Magazine, Roy Squires, of the China Import and Export Lumber Company, H. Ros, member of the Italian Embassy staff in Nanking, Luigi Barzini, Italian correspondent, Sandro Sandri, Italian correspondent who was fatally injured during the bombing, Eric Mavell, of Fox Movietone News, C. M. Madconald, of the London Times, Frank Vines, of the British American Tobacco Company, Captain B. Jorgensen (master of the Socony tanker Meihsia), James V. Rockhirgn, Mario Blasini, David S. Goldie, Carl H. Cerlsot, John B. Hamsherwood. Captain G. A. Mender (master of the Socony tanker Meiping) and others.

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Insomnia may arise from many causes. Pain may prevent sleep, worrying thoughts may make it difficult, digestive disorders are a common source of the trouble and weak nerves may so disturb your rest that you wake at every slight sound. After a time, the very dread of insomnia is itself a predisposing cause. It is a condition which must be corrected without delay.

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Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
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Men and Events

Dr. P. F. Greene of the Yale Mission at Changsha, who has been in Shanghai for sometime, departed this week for Changsha.

*

The Dutch Village Inn, located on Love Lane, International Settlement, operated for many years by Mr. and Mrs. A. H. F. van Herwijnan, has been sold to Fred Stern, who will remodel the premises and reopen it as the "Cafe Europa." Mr. van Herwijnan has been appointed manager of the U. S. Marine Club on Bubbling Well Road.

*

Two Russian emigres, Boris and Leonid Savchenko, brothers, were arrested by the French Concession authorities on March 10 and charged with "attempting to sell" a large numbers of pistols, thought to have been the property of the French Police Department or the Russian Volunteer Detachment in the French Concession. The brothers Savchenko, who are 29 and 31 years of age, are sons of the former station master of the Chinese Eastern Railway at Harbin.

Funeral services were conducted at the Kiaochow Road Chapel on Saturday, March 11, for Mrs. Rose Yang Wang, late wife of Y. C. Yang, manager of the Fou Shing Flour Mills of Shanghai. Burial was at the Hungjao Road cemetery, her death having taken place on Feb. 23 at the Red Cross Hospital.

*

The *Shun Pao* on March 12 published a list of 14 opium "hongs" or shops where opium is sold openly under license issued by the Bureau of Opium Suppression of the Nanking "Reformed" Government. All of the shops are located in the western district of the Settlement in the vicinity of Jessfield. Monthly sales range from $4,000 to $70,000.

*

Since Tsingtao has been brought within the scope of the "Yen Bloc" the Japanese are again encouraging the migration of Chinese coolies from Shantung to Manchuria. According to report from Dairen on March 10, the Yuki Maru, popularly known as the "coolie liner" will carry 4,000 coolies on its first trip this season. It was claimed that from 1,000 to 2,000 coolies are arriving in Dairen daily from Shantung ports and that 900,000 will be needed for special work in Manchuria this spring. The coolies will be transported on 20 freighters.

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The little undefended Chekiang port of Haimen, located to the south of Shanghai, was again shelled by four Japanese war vessels, firing altogether 30 shells resulting in the destruction of several buildings and killing two civilians. The Japanese have frequent shelled the town since the beginning of hostilities.

*

Donald W. Smith, who has served as U. S. Trade Commissioner at Batavia, Netherlands East Indies, since 1935, has been appointed Assistanct Commercial Attache at Tokyo. Mr. Smith spent considerable time in San Francisco in February conferring with West Coast businessmen regarding business conditions in the Netherlands Indies.

*

The Round-the-World liner, President Monroe, which was scheduled to sail from San Francisco on March 4, omitted calls at Honolulu and Japanese ports and proceeded direct to Manila. The reason for the change of schedule was heavy freight bookings for Rangoon, Burma. From Manila the ship will proceed to Hongkong, Singapore, Penang, Rangoon and after discharging cargo there will go to Colombo where it will pick up its regualr schedule.

*

R. Stanley Dollar, former head of the Robert Dollar Company, who has been in southern California since the transfer of the properties of the company to the President Lines, was expected to return to his offices in San Francisco early in the present month. According to a report in the San Francisco *Examiner*, Mr. Dollar was expected to renew shipping operations with either British or Scandinavian chartered tonnage, operating in the transpacific trade.

The *London Times* announced on March 13 that it was sending a correspondent to Moscow, the first time in 10 years. Following a controversy over censorship, *The Times* broke off "diplomatic relations" with the Russians and has not since been represented by its own correspondent. The Soviet authorities, last December, invited *The Times* to send a representative to Moscow.

The Japanese *Domei* service reported from Tokyo on March 11 that the Rev. S. Candau, President of Tokyo Daishin Gakko, a leading Catholic School in Tokyo and lecturer at Waseda University, was departing for North China on a two week's tour, his purpose being to visit missionaries "who have strong influence over the Chinese masses." The Rev. Candau is of French nationality and has resided in Japan for 20 years.

Major-General W. G. S. Dobbie, Commanding Officer of Britian's 5,000 troops at Singapore, has issued orders that all British troops must be in their quarters by midnight, instead of 1 a.m. as previously. The reason was not concerned with the Japanese crisis, but, as stated by *Reuter*, was based on an effort to reduce the large number of venerial cases. Major-Gen. Dobbie is known as the "Christian General" and is said to read his Bible every day.

*

The American "voluntary" embargo on arms sales to Japan was completely effective in February, according to report of the State Department on March 11, stating that Japan had bought nothing in the way of arms from the United States during the period. Britain purchased U.S. $7,000,000 worth of warplanes while France bought $5,00?,000. The report stated that American arms sales since Jan. 1 had amounted to U.S.$22,500,000 of which Britain had taken $11,500,000 and France $5,5?0,000, chiefly airplanes. China's orders amounted to $160,299 and aircraft and arms sales to the Netherlands Indies amounted to $714,148.

C. J. Chancellor, who has been general manager of *Reuters* news service for several years, departed from Shanghai on Saturday, March 11, for London. He was accompanied by Mrs. Chancellor and they are traveling by way of the Trans-Siberian Railway. Since Mr. Chancellor does not plan to return to the Far East, K. Selby-Walker, who has had charge of the news services, will serve as general manager in the Far East.

*

A Chinese coolie who attempted to cross the Chapoo Road Bridge into Japanese-controlled Hongkew early last Saturday morning, was stabbed in the scalp and seriously wounded by the Japanese sentry on duty. Why the Japanese soldier had stabbed the unarmed coolie was not stated. The Chinese was taken to St. Luke's hospital for treatment and although suffering from serious loss of blood was expected to recover.

*

Two Russians, one an American citizen, who were accused of selling American military secrets to Soviet Russia, were convicted in Judge Ralph E. Jenny's court at Los Angeles on March 10, according to *United Press* report. The Russians were Mikhael Gorin, manager in Los Angeles for the Soviet Intourist Travel Agency and H. Salech, native of Russia who was a naturalized American citizen. Salech, who spoke the Japanese language fluently, was previously an employe of the U. S. Naval Intelligence. According to the report, Gorin and Salech had obtained some confidential reports dealing with Japanese activities in the Pacific and on the U. S. Pacific coast and had sold these reports to the Soviet Government. Following the jury's decision, Judge Jenny recommended revision of the 1917 espionage act.

According to the Tokyo newspaper *Hochi* (March 5) the Japanese Students League has voted to suspend all tennis contests "as a result of the extension of official control over the distribution of rubber."

*

Carroll Alcott, radio commentator and member of the staff of *The China Press*, will broadcast a program at a luncheon-meeting of the American University Club on Friday, March 17 at 12:30 o'clock at the American Club. Earl H. Cressy, Secretary of the China Christian Educational Association, who recently returned to Shanghai from a trip to India and West China, will also speak at the meeting. His subject will be "From Rangoon to Chungking."

*

Valentina Grizodubova, noted Soviet aviatrix, has been appointed Director of International Air Lines of Soviet Russia, according to *Havas* report from Moscow, March 10. Accompanied by two other air-women, Polina Ossipenko and Maria Raskova, Miss Grizoduboya piloted a plane which broke the world's long-distance record from Moscow to Kerbi, near Vladivostok. She recently conducted a campaign to encourage the enlistment of Soviet women in the fighting air-forces.

*

Lady Maria-Thereas Clark-Kerr, wife of the British Ambassador to China, who is returning to her home in Chile, South America on a visit, stopped over in Tokyo for a few days where she was the guest of her cousin, Senor Marcial Martini, first secretary of the Chilean Legation. Lady Kerr planned to continue her voyage from Yokohama to Los Angeles on the President Cleveland. She plans to return to Shanghai in September.

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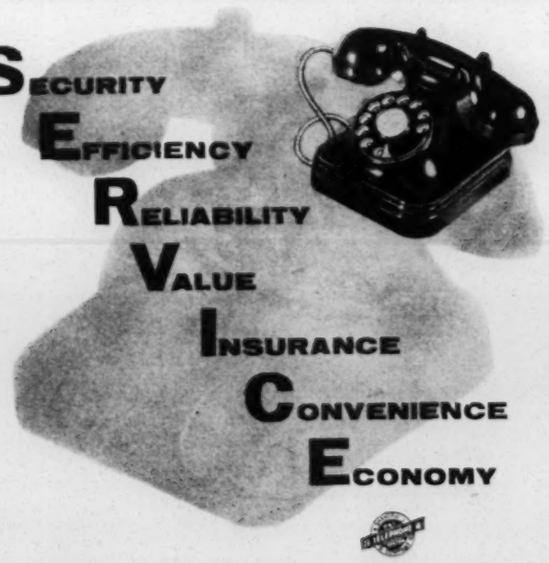

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Miss Mary Denham who was born in Atlanta, Georgia, 77 years ago, died in Shanghai on March 11, at the home of Mrs. Florence Mendel with whom she had lived for many years. The funeral service was preached by Dean A. C. S. Trivett of the Cathedral.

*

The Board of Directors of the Shanghai Electric Construction Company, which operates the street car service and also the trackless trams in Shanghai, voted at their annual meeting on March 14 to pay a dividend of 8 percent covering the operation of the company in 1938.

*

President Manuel Quezon, President of the Commonwealth of the Philippines, issued a proclamation on March 14, summoning 40,000 Philippine army reservists, comprising the trained class of 1937, for special training. The men will be given special training for a period of 10 days, beginning May 4.

*

Dr. A. O. Potter, special representative of Rotary International, was scheduled to speak at the meeting of Shanghai Rotary on Thursday of this week at a luncheon-meeting at the Metropole Hotel. Dr. Potter is also scheduled to address a meeting of the Outport Rotarians Club at luncheon at the Chinese Y. M. C. A., 123 Bvd. de Montigny on Saturday, March 18. Dr. Potter is a native of Canada.

*

Alex Boisseree, former resident of Shanghai, who was well known here as a football player, will be married on Monday, March 19, to Miss Virginia Betts, daughter of Arlington Betts, former Governor of Albay Province, Philippines. The wedding will be held in the Palace of the Archbishop of the Philippines. Mr. Boisseree now resides in Manila.

*

Miss Hattie Stallings and Mrs. R. E. Menshaw, American missionaries stationed at Kweilin, Kwangsi province, arrived in Shanghai on Monday of this week after a 6-day trip by rail and boat, coming here from Ningpo. Miss Stallings and Mrs. Menshaw were in charge of a hospital belonging to the Southern Baptist Mission at Kweilin, which was destroyed by Japanese bombers several weeks ago.

*

The advance of modern civilization in Nippon was evidenced in a *Domai* report on Wednesday of this week stating that "booming war industries in Tokyo will require at least 25,000 more boy workers, even after it has absorbed 25,000 primary school graduates in Tokyo and 10,000 more from the country." The Tokyo prefectural Government was considering measures for the "spiritual" guidance of the youths.

*

The Japanese Embassy in Washington has requested the assistance of the State Department in obtaining the release of five steamships at Portland and Astoria, Oregon, which were sent there to obtain cargoes of scrap-iron for Japan's munition factories. West Coast longshoremen, most of them unionized under the Committee of Industrial Organization (C. I. O.) have unitedly refused to load the iron on Japanese ships. Harry Bridges, Australian-born maritime union leader, stated that he was considering the enforcement of the anti-Japanese boycott amongst longshoremen along the entire West Coast. A previous shipment of scrap-iron which was picketed by students and American-born Chinese at San Diego sometime previously was later released. The State Department has refused to comment on the matter.

Rev. T. W. Walser, member of the Presbyterian Mission in Japan, who is affiliated with the Open Door Student Center in Tokyo, is visiting in Shanghai.

*

The U. S. State Department, which was created by Act of Congress on July 27, 1789, is planning to celebrate its 150th anniversary. The personnel of the Department has grown from five clerks in America and two representatives abroad to its present strength of 1,000 employes and 3,500 foreign service officers and employes abroad. By Act of Congress in 1866 the Secretary of State is third in line next to the Vice-President in succession to the Presidency in the event of the death of the President.

*

Dr. John C. Ferguson, well known American resident of Peiping and Shanghai, who is now in the United States, was awarded the honorary degree of Doctor of Laws by Boston University. Dr. Ferguson was graduated from Boston University in 1886 and received his Ph. D. degree there in 1902. Dr. Ferguson has been active in educational work and journalism and is an outstanding authority on Chinese art. He also has been active in political affairs, having served as adviser to the Peiping Government on several occasions.

*

Miss Mary Jane Irvine, native of Kingston, Ontario, where she was born in 1853, died at the Shanghai Country Hospital on Tuesday evening, March 7. She had been engaged in missionary work, chiefly teaching, for 48 years, 40 of which were spent in China. Inspired by Dwight L. Moody, she joined the Women's branch of the New York City Mission and after five years of study joined the Women's Union Missionary Society of America. Later she joined the Margaret Williamson Hospital where she served for many years, later joining the Bridgman School in Nantao. Funeral services were held at the Pahsienjao Cemetery and were conducted by Dr. F. L. Hawks-Pott of St. John's University. A short address was also delivered by the Rev. John Yong. Pallbearers were Lincoln Sha, Rev. John Yong, Rev. S. Anderson, Pastor K. S. Tsoh, R. J. Salmon and John A. Ely.

Japanese Munition Blast Resembled Earthquake

Residents of Shanghai who were in Japan at the time of the explosion of the munition plant in Osaka prefecture, state that the disaster was worse than indicated in the press reports. The shock was felt over a wide area and most persons thought the concussion was due to an earthquake. All reports of the explosion were at first suppressed, but later brief guarded statements were issued. Gen. Itagaki, Minister of War, immediately hurried to Osaka and distributed the sum of Yen 300,000 among families of victims. The number of killed and wounded were variously reported, but the most reliable statements were 200 civilians and 100 soldiers killed. The *Asahi* said that 200 had been "injured," and between 500 and 600 houses had "blown up in flames." More than 1,000 policemen were rushed to the scene of the explosion, which was at Hirakata, near Osaka. A later report in the Asahi said that 135 were missing while casualties numbered 600. The *Yomiuri Shimbun* finally reported 42 dead, 94 seriously wounded, 286 slightly wounded, 153 missing, 250 houses totally destroyed by flames and 100 houses partially ruined. Windows were broken throughout Osaka. The Minister of War announced in the Diet that the explosion of the munition factory would not adversely affect the prosecution of the war.

New Books of Interest in the Far East

New Book on the War

JAPAN'S GAMBLE IN CHINA—By Freda Utley, with an Introduction by Harold J. Laski. London, Secker & Warburg, 1938. 302 pp. Price six shillings net.

This volume is a continuation of Miss Utley's admirable *Japan's Feet of Clay*. While the new volume will stand on its own merits, it can best be appreciated by a reader who has made a careful study of Miss Utley's first work. In *Japan's Feet of Clay*, the authoress analyzed the Japanese economic and political structure and mapped the courses which Nippon's destinies must follow. In *Japan's Gamble in China* she summarizes her original findings and links them with a sound and penetrating analysis of Nippon's current adventure in this country.

Miss Utley's thesis is that Japan's recourse to arms in China was inevitable because she could not meet foreign economic competition on equal terms. Japan, Miss Utley holds, is too weak to be able to make a profit out of China unless she can turn the territories she wishes to exploit into her own colonial possessions. If the Japanese can win exclusive control, they can hope to borrow sufficient capital abroad to exploit China's resources in any manner they desire. But to ensure this absolute control, she must dominate China's political organism.

It has also been one of Japan's main aims, according to Miss Utley's thesis, to arrest China's efforts to build industrial self-sufficiency, which would have closed China as a market for Nippon-made goods.

"From the Japanese point of view," Miss Utley says, "the ideal was, and is, a Chinese Government or governments with just sufficient revenue to enable it to retain effective control of its territories, but with too scanty resources to enable to it modernize the country and assist Chinese industries to develop. Such a government would be too weak to resist Japanese 'influence,' but strong enough to preserve law and order in the interests of Japanese merchants and concession-holders. Hence the anger and bitterness with which she viewed the spectacle of Chiang Kai-shek's government obtaining loans and credits from Britain and other Western Powers, and the assistance of League of Nations' technical experts, and embarking upon a large-scale plan of industrialization. Hence the repeated 'hands-off China' declarations."

In July, 1937, Japan struck in North China, Miss Utley says, because the purges in Russia and the crisis in Europe had assured her of foreign non-intervention; because internal economic crisis demanded some major step; and because she was anxious to prevent China from achieving the economic progress and acquiring the military strength to resist Japanese hegemony.

Japan, Miss Utley adds, "gambled on three issues: first, that she could seize North China without a major war; second, that after the fall of Nanking some of the Kuomintang leaders would come over to her side and head a puppet administration; third, that Britain and the U.S.A. would not stop her aggression by refusing to trade with her. She has already lost the first two throws, but her third gamble has so far been successful."

As the war spreads, Japan's financiers and moderates, according to Miss Utley, are anxious to stop the continued advance of the Army inland and to allay the fears aroused by the anti-British threats of the Japanese Navy, in order to be reasonably sure that sooner or later Britain would extend economic aid to Japan. "Otherwise, they see ruin ahead for themselves and perhaps for the whole nation."

The financiers realise for the most part that Japan has not got the strength now either to smash the armies and the government of Chiang Kai-shek or even hold and develop those parts of China she has already conquered, Miss Utley holds. They are inclined, therefore, to call a halt and wish to consolidate what has been won, and to pursue a policy conciliatory to Britain in order to obtain British capital. The moderates, she adds, "would be well contented to sit tight in North China for some years before attempting to defeat Chiang Kai-shek in Central and South China; they see very well that the attempt to do so now must lead to the triumph of the military fascists at home, even if it does not lead to a revolution which would sweep away both the plutocracy and the military landowning class . . . Japan cannot call a halt without an agrarian crisis followed by agrarian reform or revolution . . . Hence the landowners and the army officers see 'permanent aggression' as the only way to maintain their material existence and political power."

Miss Utley's conclusion is that "this war is a war to make or break Japan. Most observers, even amongst those most favorable to her cause and most contemptuous of China, think now that it will break her. For the peace of the world and the future of civilization it is to be hoped that China will be able to endure her terrible ordeal, even if none of us assist her, and that Japan's military imperialism will vanish from the face of the earth like that of Genghis Khan whom some Japanese proudly claim as their kinsman, and since whose day the world has not witnessed such wholesale massacres of men, women and children as those being

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carried out by the Japanese Army."

Although lacking the statistical data which made "Japan's Feet of Clay" so valuable, this volume is clear, concise and comprehensive. It should be included on the "must" reading list of all those striving to understand the fundamentals underlying the current war. G.

British System Criticized

CAN CHAMBERLAIN SAVE BRITAIN?—By Collin Brooks. Published by Eyre and Spottiswoode, London. 7s. 6d.

Collin Brooks has produced another "unpopular" book in his campaign for the good of Britain and the welfare and survival of her people. He holds that external circumstances and not national desires today govern Britain's course, and unless she decides on a course of discipline and frugality she may be led to economic bankruptcy and possibly to political destruction.

The lesson of Munich, says the author, clearly shows Britain at hazard—the victorious Power which in twenty years has sunk so low in international prestige that she can with impunity be insulted, derided, ignored by Italy, Germany, Japan and fascist Spain. That Mr. Chamberlain had to meet the Munich crisis as he did is due to Britain's clinging tenaciously to outworn modes and forms of government and of living. For many generations the nation's strength was her industrial wealth.

Today, says Mr. Brooks, the path is towards bankruptcy, because of overspending, lack of home productivity, lack of competitive power in foreign markets, high costs, rising and crippling taxation, loss of shipping and investment income from British capital invested overseas. Catastrophe will come unless Britain realises she cannot continue to "live high," enjoying high wages plus amenities when trade is not flourishing because Britain is no longer the workshop of the world. As for the perversion of Parliament from its beginning in the Middle Ages to today, the author advocates drastic amendment or complete abandonment for some other system, whereby a change in national temper to a new virility and a reform of the system of government may save the nation from the fate toward which it is racing.

Among other castigatory statements, that of the fiasco of disarmemant and the tragedy of Edenism drip with vitriol. MacDonald and Baldwin shielded the electorate from unpleasant facts about Britain's economic and military condition, but Mr. Eden, by his achievements, "reduced Britain's prestige to a lower level than it had reached since the Dutch sailed up the Medway. His intentions may have been excellent; his achievement was deadly."

When Britain, in 1934-35, aspired "to be the moral mentor of the world," her representative at the League of Nations, Mr. Eden, pressed the application of "the insanity of sanctions," with an unarmed Britain backed by a lukewarm League of Nations powerless to enforce anything where well-armed nations were concerned. The Hoare-Laval incident, when the two leaders, in their desire to avert war, agreed to suggest to Abyssinia that virtual economic control in her western areas be given to Italy, only to have Eden and the "Peace Balloters" raise such a furore that Sir Samuel Hoare had to resign, is discussed at length. Brooks says: "Had these proposals from the Hoare-Laval meeting been allowed to go forward, many thousands of lives would have been saved, the strained but not yet broken friendship of Italy for Britain could have been repaired, the Paris-London-Rome axis could have been preserved and the Rome-Berlin-Tokio axis could not have come into existence."

Eden, declares the author, failed to understand Hitler and Hitlerism, the reintroduction of conscription in Germany, the recovered military strength of Germany; failed to realize that his Geneva policy, allying Britain to Russia and France made it inevitable "that the Spanish civil war . . . must involve Britain in further differences with both Italy and Germany." Eden's policy furthered the gap between Japan and Britain, so that by the time he resigned "his personality and policy had brought Britain as an international influence to nullity."

Now that Chamberlain has been trying to rectify the mistakes of Eden, Brooks urges that every effort be made toward peace, saying that a redistribution of the Mandates and agreements with Germany and Japan on the lines of that with Italy will improve the chances for peace. He urges Britain to shape her policy toward three main objectives: "Abstention and conciliation in international affairs; organization for military defence, at the cost of some curtailment of individual liberty; organization for the recovery of overseas trade, at the sacrifice of certain traditional means of conducting and financing manufacture and commerce..."

The question is asked whether a Prime Minister, under the present system, can "exercise sufficient power to organise the country in such a way that it can compete with its highly-organized, hard living, ambitious rivals both in defences and trade. If he cannot, dare Britain persist in a system which so handicaps her?"

M. V.

Japanese Law Translated

The Japanese Company Law, of considerable interest to foreign firms, has been translated into English by Sumio Fukuda, LL.B. Mr. Fukuda was previously associated with the late J. E. De Becker, well-known foreign lawyer in Tokyo and later with Kauffman, Smith and Yamamoto. The translation consists of 202 pages and sells for Yen 10 a copy. Anyone interested in purchasing a copy should write to Okuyama Service, Room 34, Matsumura Building, 1 Uchisaiwai-cho, 1-chome, Koji-machi-ku, Tokyo. (Please mention this notice).

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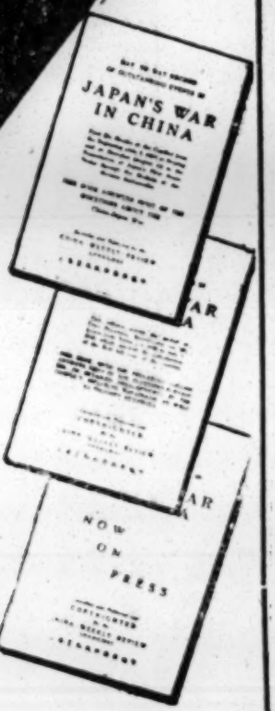

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